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Yeltsin Retreats, But Adversaries Step Up Pressure

By Fred Hiatt

MOSCOW — President Boris N. Yeltsin backed away Wednesday from his threat to impose "special rule," but the apparent attempt at compromise failed to dissuade the parliament from taking another step toward impeaching him.

See RUSSIA, Page 2

Wild-Card Element Persists in the Ranks

By Steven Erlanger

MOSCOW — Both of Russia's feuding branches of government say they want to avoid involving the army in their dispute, and military leaders say they are happy to oblige.

See ARMY, Page 2

The Old War Machine Won't Be Gearing Up

Washington Post Service

MOSCOW — A new and unfriendly Russian government could threaten the West militarily and strategically, but no regime could reconstitute the Soviet military machine anytime soon, according to Russian analysts and officials.

See NAVY, Page 2



One of 46 Serbs on a bus Wednesday awaiting evacuation from Tuzla, Bosnia, as a militiaman stood guard.

Pretoria Says It Made 6 Nuclear Bombs but Destroyed Them All

By Bill Keller

CAPE TOWN — During a 15-year clandestine program that has been one of the nuclear era's most closely guarded secrets, South Africa succeeded in building six crude atomic bombs and was at work on a seventh when it decided to dismantle its arsenal in 1989.

See WEAPONS, Page 6

Serbian Shelling Halts UN Airlift of Wounded in Bosnia

By John F. Burns

SARAJEVO, Bosnia-Herzegovina — A United Nations operation to evacuate sick and wounded Muslims from the besieged town of Srebrenica aboard helicopters was seriously averted Wednesday as Serbian nationalist troops broke cease-fire guarantees and repeatedly bombarded the landing zone at Srebrenica with artillery fire.

See BOSNIA, Page 2

"We are trying to undertake a humanitarian mission, and that is precisely what we are going to do," he said. The attempt to evacuate more than 300 sick and wounded people from Srebrenica was suspended after the attack, which occurred shortly after three Puma helicopters of the French Navy had taken off from the landing field in the besieged town with 21 wounded people on stretchers.

See BOSNIA, Page 2



Bernard Tapie, center, urban affairs minister, after a last cabinet meeting Wednesday with François Mitterrand, who, an aide says, will not quit. Page 6.

What Drives Patten in Hong Kong

By Kevin Murphy

HONG KONG — With 150 years of rule behind it and only 39 months to go, Britain has decided to pick a fight with China over greater democracy in Hong Kong.

See CHINA, Page 2

At Last, Daimler to Get a Wall Street Address

By Brandon Mitchener

FRANKFURT — Ending a long dispute, Daimler-Benz AG, Germany's biggest corporation, said Wednesday that it had reached a landmark compromise with the Securities and Exchange Commission that will make it the first German company to issue shares in the United States.

Exchange Commission, in a telephone interview. He declined to give details but said that "we've tried to be flexible within the framework of the basic principle that public investors are entitled to a certain level of transparency concerning financial results and conditions."

Kiosk Cairo Hands Suspect to U.S. Business/Finance Japan hit back at U.S. trade accusations. Page 9. The EC offered support to Russian reformers. Page 9. South Korea plans to keep a lid on prices. Page 13. Crusade Weather Page 20.

NEWS ANALYSIS widen the electoral base for 1995 elections to the colony's Legislative Council. The British-Chinese dispute showed no signs of letting up on Wednesday, with Beijing increasing its efforts to derail Mr. Patten's plan.

Bosnian Serb's Newest Rebuff Discourages Mediators

By Paul Lewis
New York Times Service

UNITED NATIONS — The long floundering Bosnian peace negotiations have suffered a serious new setback as the leader of the Bosnian Serbs again refused to accept the peace plan drawn up by international mediators.

Lord Owen, the European Community envoy, said the leader, Radovan Karadzic, was leaving New York, but the Bosnian Serb later denied this and said he was staying on and had not walked out of the talks.

Sounding more discouraged than usual, Lord Owen said that Mr. Karadzic was

"very far away" from signing any peace agreement. Lord Owen added that he saw "no chance of his coming round" to a different position.

Lord Owen, a former British foreign secretary, said Tuesday it was "very clear" that Mr. Karadzic still sought the creation of an independent state for the Bosnian Serbs on lands held or conquered by Serbian forces in the last year.

The focus of the negotiations has been a plan drawn up by Lord Owen and the UN-appointed negotiator, Cyrus R. Vance, that would divide Bosnia-Herzegovina into 10 autonomous provinces, reducing Serbian lands from the 70 percent they now hold to 43 percent.

Lord Owen also attributed much of the responsibility for the deadlock in the talks to the Bosnian president, Alija Izetbegovic, who has boycotted the proposed negotiating session this week and resisted the mediators' appeal to endorse the Vance-Owen plan.

The strategy of the mediators had been to get Mr. Izetbegovic's support for the plan and then muster international pressure on Mr. Karadzic to follow suit. But the mediators never got the chance to do so.

The Croats have accepted the peace plan in its entirety, but Serbs and Muslims are still refusing to sign the map the mediators have drawn up setting out the actual provincial boundaries in a new Bosnia-Herzegovina.

On Tuesday, Russia finally agreed to support a new Security Council resolution authorizing warplanes of the North Atlantic Treaty Organization to shoot down aircraft violating the Security Council's ban on flying over Bosnia-Herzegovina, despite the risk that this could further disrupt international efforts to help its suffering citizens, diplomats said.

The agreement, worked out between Foreign Minister Andrei V. Kozhevnikov of Russia, who is visiting, and Secretary of State Warren M. Christopher in Washington, provided for the resolution to be voted on quickly. But it will not take effect for seven days, and actual enforcement of the no-flight zone will only start after a further seven-day grace period.

The council was also expected to issue a statement Wednesday that would take account of several other Russian concerns that prevented the enforcement resolution from being adopted Monday as originally planned.

3 German Planes Assigned to Airdrop

By Craig R. Whitney
New York Times Service

BONN — Germany decided Wednesday to send three transport planes to join the nightly U.S. airdrops of supplies to Muslim areas in eastern Bosnia.

Government spokesmen did not say when the missions would begin, but the crews of the C-160 cargo planes had been practicing maneuvers with American crews at the Rhein-Main Air Base near Frankfurt since last week. French and Russian planes have also been preparing to participate.

The decision by the cabinet seemed partly intended to spare Chancellor Helmut Kohl embarrassment about the more troublesome issue of German involvement in possible combat actions over Bosnia-Herzegovina when he meets with President Bill Clinton in Washington on Thursday.

Mr. Kohl's coalition also agreed to deploy patrol boats and officers from the Federal Border Guard on the Danube in Romania and Bulgaria to help those countries enforce the UN trade embargo against Yugoslavia, Reuters reported. Details of that mission would be settled by the nine-nation Western European Union on April 5, said Mr. Kohl's spokesman, Dieter Vogt.

The coalition government has been deeply divided about whether German troops would have to pull out of NATO air surveillance missions of military flights over Bosnia-Herzegovina if, as expected, the United Nations Security Council authorizes the use of force to keep Serbian aircraft from flying there.

Mr. Kohl's Christian Democrats declared in a unanimous vote that their deputies on Tuesday that the 1949 German Constitution would not require withdrawal. But Foreign Minister Klaus Kinkel's Free Democrats insisted that, without a constitutional change, German crew members on NATO Airborne Warning and Control System planes monitoring traffic over the Balkans would have to get off.

Mr. Kohl fears a repetition of the American criticism that followed his decision to keep German troops out of the 1991 Gulf War on constitutional grounds.

The leadership of the German armed forces also fear losing face with the allies if soldiers are ordered off the surveillance missions.

Mr. Kohl's party insists that the constitutional ban on "acts tending to and undertaken with the intent to disturb the peaceful relations between nations" did not prevent German soldiers from taking part in peacekeeping missions under the UN aegis.

If necessary, some party leaders said over the weekend, the Christian Democrats should simply overrule their coalition partners and insist that German troops stay aboard the air surveillance planes after a UN decision on enforcing the ban on Serbian military flights.

Mr. Kinkel said Wednesday that he had hopes that a resolution of the impasse could be achieved. There are 18 four-engine Boeing E-3A planes in the NATO operation, based primarily at the German airfield at Geilenkirchen, near the Netherlands. Germans provide about 30 percent of the 1,500 military personnel involved, according to NATO officials.

YOUTHS IN BERLIN — A 38-year-old Briton was severely beaten by a gang of youths here early Wednesday by what he said was a foreigner, the police said.

The man, identified only as James B., was hit on the head with a steel bar after he spoke to the youths in English and they swore at him for being a foreigner, a spokesman said.

James B., who lives in Berlin with a German girlfriend, is receiving hospital treatment for severe head injuries, he said. Details about the attack were given by the girlfriend.

Seventeen people were killed in Germany last year in anti-foreigner or ultraright violence. The toll this year is two. In virtually all the cases, the victims have been Africans, Asians or Germans.

RUSSIA: A Rejected Compromise

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But "something simply had to be done," said a diplomat involved in Britain's decision to chart a more confrontational course with Beijing. "The feeling was, even after all this time, anything was better than nothing at all."

A Hong Kong legislator, Jimmy McGregor, believes the turning point came when Mr. Major flew to Beijing in 1991 to complete a memorandum of understanding on Hong Kong's new airport, only to find himself reviewing troops in Tiananmen Square and, later, to see the agreement collapse.

"It was humiliating to go all that way for an ultimately worthless deal," Mr. McGregor said. "It surely changed his attitude toward the very real concerns Hong Kong had started to voice about its own future."

A Hong Kong government official close to Mr. Patten believes the answer lies deeper: "There is a serious moral streak involved with men like Major and Patten, and among them there is little doubt much of this should have been done in the past."

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China refused a request by Britain to stretch the Chinese-British Basic Law (1990) to expand the number of directly elected Legislative Council seats.

But Britain still hopes to kick-start political consciousness in its largest remaining colony and enshrine the role of public debate in society along the way.

WORLD BRIEFS

Another Fiat Executive Faces Arrest

MILAN (Bloomberg) — Italian judges have issued an arrest warrant for Riccardo Ruggieri, the managing director of Fiat SpA's agricultural equipment division New Holland, RAI television reported.

He has been charged with illegal campaign finance, the same charge that resulted in the arrest last month of Fiat's finance director.

A Fiat spokesman said Mr. Ruggieri was in London, where New Holland is based. He said the company had no comment except to say that the executive's lawyer had contacted the Italian judges. Mr. Ruggieri has been head of the division since 1991. Scores of Italian business and government leaders have been arrested or investigated in an ongoing crackdown on corruption.

EC to Consider Norway's Application

BRUSSELS (AP) — The EC Commission recommended Wednesday that the European Community open membership talks with Norway, four months after the country applied to join.

It issued a positive report on Norway's chances to assume EC membership duties, paving the way for talks to start April 5 so Norway can join in 1995. It would do so along with Austria, Finland and Sweden, which have been negotiating their entry into the EC since Feb. 1.

Newcomers can enter the EC only after the 1992 Treaty on European Union has been ratified by all 12 members. Two countries have yet to ratify the treaty. Denmark will put it to a second referendum May 18. Britain is letting its ratification hinge on the outcome of that vote.

North Korea Ends State of 'Semiar'

TOKYO (AP) — North Korea announced Wednesday that it was ending the state of "semiar" it declared during joint U.S.-South Korean military exercises.

The official press agency KCNA said that Kim Jong Il, supreme commander of the armed forces, had issued a communique ending the alert, although it said the country would "maintain a high revolutionary vigilance." The joint military exercises ended March 19. Pyongyang asserts that the yearly exercises, which involve about 120,000 soldiers, amount to preparations for an invasion of North Korea.

While the announcement was seen as reducing tensions on the Korean Peninsula, there was no indication that North Korea would reconsider its March 12 decision to withdraw from the Nuclear Nonproliferation Treaty.

Somalis Agree on a Federal System

ADDIS ABABA, Ethiopia (Reuters) — Fifteen feuding Somali factions agreed Wednesday on the outlines of the first form of any government seen in their country for more than two years.

The factions, at a conference here sponsored by the United Nations, agreed to establish a federal-style system under which 18 autonomous regions will send representatives to a central transitional administration.

Mohammed Abdi Abdulle, spokesman for the powerful Somali National Alliance, said details of the new administration had yet to be agreed upon. But he said it would have a leadership council serving as "a supreme council" for a two-year interim period. He said a transitional administration council, or executive, would also be set up on which groups including intellectuals, women, religious leaders and elders would be represented.

TRAVEL UPDATE

Millions Are Due Airline Coupons

NEW YORK (NYT) — Millions of travelers who flew on American, Delta, United and a half-dozen other U.S. airlines from Jan. 1, 1988, through June 30, 1992, still have an opportunity to apply for coupons that can be used for discounts on future air travel.

The deadline for applications is June 1. The discounts are part of a \$458 million settlement of a class-action antitrust case charging the large U.S. airlines with price fixing. The settlement was reached last summer and upheld in a U.S. District Court in Atlanta this week. Further information may be obtained by writing to Airlines Antitrust Legislation, P.O. Box 267, Pennsauken, New Jersey, 08110.

Dance groups in Tallinn struck Wednesday, demanding more money to entertain tourists with traditional island performances.

Russia's Aeroflot will begin twice-a-week flights from the eastern port city of Vladivostok to Niigata in western Japan starting April 1, Japan's Jiji press agency said.

European airports recorded post-Gulf War rises in both passenger and cargo traffic in 1992 but set lower-than-forecast growth in 1993, in its April newsletter, the Airports Council International, a trade group, said. 1992 passenger traffic through European airports totaled 482 million in the first 11 months of 1992, up 10.2 percent from 1991. Cargo traffic surged by 11.6 percent, to 7.3 million tons.

The Old Royal Observatory, which made Greenwich southeast of London the center of time and space for 300 years, was to reopen Wednesday as a new museum complex. The Octagon Room has been restored to the original specifications of its builder, Sir Christopher Wren, who was an astronomer before he became an architect and built St. Paul's Cathedral.

Britain's train drivers will vote on whether to strike to protest the planned privatization of the country's state-owned rail network, their union said. The 100,000 members of the Rail, Maritime and Transport Union have already voted to stage a 24-hour strike on April 2.

KLM Royal Dutch Airlines is further decentralizing its flight check-in procedures by allowing passengers to check in for flights by telephone, at the airport parking garage and directly at the flight departure gate, the airline said in Amsterdam.

ARMY: For Now, the Russian Military Remains an Uncertain Player

Gleb Yakunin, a legislator who has supported Mr. Yeltsin, said: "If in August, when they had full control of the army, they still couldn't keep it together, they certainly can't expect to do it now."

Sergei Rogov, a military expert and deputy director of the Institute of USA and Canada Studies, agreed.

The military is more divided and confused now than it was in August 1991," he said. "They're very confused and not at all eager to take sides right now, which is a good idea. Otherwise, this clash of political eggs could turn into real bloodshed and civil war."

But a senior Western diplomat said that the longer the political stalemate continued, the more the risk would grow that the military would be dragged in to provide some sort of quick resolution. He noted that Mr. Yeltsin's chosen date for a plebiscite, April 25, was still a month away.

"The power ministries are still on the sidelines and will stay there as long as they can," he said. "And they can do so long as nobody turns to them and says, 'Do something,' and so far no one has."

"But it's important to understand that the military's decision not to intervene has content. It means that they are apparently not at the disposal of the president, unless they decide that what he asks them to do is constitutional. And no one is certain where they'd come out if pressed to an action they might regard as unconstitutional."

A senior Russian security official said that the military and security services liked "order" and had little respect for the unpredictable Congress of People's Deputies.

"But the services have their share of ultranationalists and radicals, like the rest of society," the official said.

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UN soldiers in Tuzla leading a woman and children who were among 21 evacuated Wednesday from Srebrenica by French helicopters.

BOSNIA: UN Halts Airlift of Wounded After Serbs Shell Landing Fields

(Continued from page 1)

resolution have led to prolonged consultations among council members.

Diplomats said the resolution presented problems for Moscow at a time when President Boris N. Yeltsin is embroiled in a fierce domestic power struggle and wants to avoid being depicted by his foes as selling out the Serbs.

The International Court of Justice in The Hague said it would

hold the first public hearings on April 1 in Bosnia's war crimes case against Serbia and Montenegro. Bosnia accused the two republics, which make up the rump state of Yugoslavia, of genocide and other war crimes in an application filed to the court on Saturday.

Bosnia has asked the court for an emergency ruling, ordering Serbia and Montenegro to halt all killings, the destruction of towns and villages and ethnic cleansing. It has also asked the court to order Serbia

and its ally to pay reparations. Croatia and rebel Serbs have agreed that the mandate of UN peacekeepers in the Krajina enclave should be extended but have reached no cease-fire accord. UN officials said in Geneva. A UN spokeswoman, Therise Gstaad, said that senior mediators who visited Zagreb and Belgrade this week had reported "substantial progress" in their efforts to end two months of fighting, but differences remained.

Diplomats said the Croats had accepted a proposal from the mediators for a mixed Serbian-Croatian police force in the area, to be set up and run by the UN Protection Force. The UN force's mandate to operate in Croatia expires on March 31.

Fighting broke out in Krajina in late January after Croatian troops breached a cease-fire line set up a year before by the UN mediator, Cyrus R. Vance.

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NAVY: The Old Soviet War Machine Won't Be Gearing Up Anytime Soon

(Continued from page 1)

the danger of illicit export of nuclear weapons. But a return to outright Cold War is a far less simple proposition. A policy of hostility would depend both on military capabilities and attitudes, and both have changed dramatically in recent years, experts said.

Russian generals, who have been traveling extensively to former "enemy" nations, maintain that their army can never go back to Cold War relations.

"Today, the U.S. and Russia are not enemies, not even rivals — they are partners," said Major General Gennadi Ivanov, the chief of the Defense Ministry's reform effort. "I don't think we have leaders at any level who could spur the arms race again or provoke a Cold War."

General Ivanov, who has visited the United States and Japan, said the military had prepared a new doctrine that was defensive in nature and viewed no one as an enemy.

"This is entirely new," he said.

And by all accounts, the Russian Army is weak, understaffed, poorly supplied and demoralized. Some navy recruits have died of malnutrition. The surface navy almost never puts to sea, in part from lack of fuel.

When the Soviet empire dissolved, the military lost key bases, from Berlin to Riga to

Sevastopol. It also lost — to Ukraine, Belarus and other former Soviet republics — much of its most modern equipment and many of its best-trained troops.

"The military forces we inherited do not represent a whole military organism," General Ivanov said.

The Russian armed forces officially number 2.7 million, compared with a high of 5 million under the Soviet government, but in fact the strength is probably far lower, most experts agree. Combat-readiness is so low that the general staff was hard-pressed to send a small peacekeeping mission to independence-minded Ingushetia, on Russia's southern border.

Pavel Feilengauer, a defense correspondent, said: "They were gathering people from the whole European part of Russia, taking 10 people there, 5 people here, improvising battle units, because there was simply no one to send. The general staff was working night and day just to scrape up 3,000 people to put in the field."

But amid all the confusion and disintegration, the armed forces have taken care to maintain at least a minimal state of battle-readiness of their strategic nuclear forces, which the generals see as the last badge of superpower status, Mr. Feilengauer added.

"They can do nothing much in Moscow," he said. "But they can wipe out New York."

Along with new feelings of amity, there is resentment within some military circles, as among conservative politicians, at what many see as Western efforts to dictate to Russia at its moment of weakness.

Boris Fyodorov, deputy prime minister and a strong supporter of Mr. Yeltsin's, acknowledged that a new arms race would be disastrous for Russia, which is virtually bankrupt. But he warned that governments have pursued self-destructive policies more than once in the past.

"An arms race would drive our country, especially our country, to collapse," he said. "But nonetheless such a danger exists."

Mr. Fyodorov also warned that a new conservative government might decide not to repay the Soviet debt to the West, could refuse to ratify or enforce U.S.-Russian arms reduction treaties and might threaten the sovereignty of the Soviet Union.

This last threat has alarmed several of those new nations, prompting the Baltic states and others to issue statements of support for Mr. Yeltsin.

Although the Russian Army is severely weakened, many of the new republics have virtually no armed forces at all. — FRED HIATT

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A WEEK IN THE LIFE OF THE TRIB

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FIRST 100 DAYS / A BOLD APPROACH

POLITICAL NOTES

Was Rostenkowski Inquiry Sidetracked?

WASHINGTON — A federal prosecutor has suggested that the resignation of Attorney General Janet Reno to demand the prompt investigation of Representative Dan Rostenkowski, a crucial ally of President Bill Clinton's.

Jay B. Stephens, the U.S. attorney for the District of Columbia, who is a Bush administration holdover, said he had advised the Justice Department that he was within 30 days of making a "critical decision" in the Rostenkowski case when Ms. Reno directed him and other U.S. attorneys to submit their resignations, effective in a matter of days.

Although prosecutors are routinely replaced after a change in administration, Ms. Reno's order accelerated what had been expected to be a leisurely changeover.

Mr. Stephens said he would not resist the move to force him from office, and he held back from directly accusing Ms. Reno of interfering with the Rostenkowski inquiry.

But Mr. Stephens left the strong impression that Ms. Reno's actions might disrupt the investigation as he moved toward a decision on whether to seek charges against the Illinois Democrat, who is chairman of the House Ways and Means Committee.

Mr. Rostenkowski has been under scrutiny since last year, when his office records were subpoenaed in an inquiry into whether someone in his office used his expense account to obtain cash from the post office fraudulently.

Mr. Rostenkowski has repeatedly denied wrongdoing, and he has not been accused of any impropriety.

But if he is indicted, he will be forced by House rules to relinquish his chairmanship, a development that some lawmakers have said could seriously jeopardize Mr. Clinton's efforts to steer his economic and health-care proposals through Congress.

Ms. Reno denied any link between her action and the Rostenkowski case, asserting that Mr. Stephens had been treated like other U.S. attorneys and "is not being singled out."

(NYT)

Big Support for Health Care Restructuring

WASHINGTON — A nationwide survey has found strong support for the likely elements of President Clinton's health care restructuring agenda, and 58 percent of the respondents expressed a willingness to pay a new 3 percent national sales tax to help finance coverage for the 37 million uninsured Americans.

The telephone poll, conducted by the California-based Kaiser Family Foundation and Louis Harris & Associates, surveyed 1,255 adults from March 3 to 10 and has a margin of error of three percentage points. Among the findings:

- 82 percent support a government mandate that employers provide insurance to workers.
87 percent back government-imposed limits on insurance premiums.
86 percent endorse the creation of large consumer purchasing cooperatives to bargain with medical providers for the best quality and lowest prices.
76 percent favor short-term price controls on doctors, hospitals and drug companies.

(LAT)

Quote / Unquote

President Clinton, apologizing at his news conference for taking too many questions from the left side of the room: "I'm left-handed, you know, and I sometimes discriminate."

(AP)

Clinton, No 'Bystander,' Plunges In Behind Russia

By R.W. Apple Jr.
New York Times Service

WASHINGTON — When Bill Clinton called the White House on Monday from Little Rock, Arkansas, where he was visiting his critically ill father-in-law, several aides told him they thought he could conduct his first news conference the next day with only perfunctory reference to the crisis in Russia.

"Make a short statement, then say the situation is too delicate for further comment, that was the advice," an adviser reported.

"But he didn't want to do that. He told us this was an issue he wanted to link himself to in a strong, positive, public way, not just through administration spokesmen. He wanted to make Russian reform his cause as much as Boris Yeltsin's."

So that was what Mr. Clinton did, at this, his first full-dress news conference as president. It had been a long time in coming. But he has been answering questions in almost every setting imaginable in his first two months in office.

Tuesday, in the stately East Room forum originally devised for Ronald Reagan, the president seemed loose and jolly, if understandably more guarded on the

situation in Russia than in discussing other domestic and foreign topics.

Yet he was taking a bold approach on Russia for one so inexperienced.

"We are not bystanders," he said. And at another point: "I intend to go in there with an aggressive and quite specific plan for American partnership."

Like many other American presidents, Mr. Clinton sought to make Russians seem like Americans, a dubious proposition at the best of times. Of Muscovite-in-the-street interviews on TV, he said: "They sound almost like our people might sound talking about some fight we were having here. They've been remarkably levelheaded about it, and I think we have to let it play out."

The difference, of course, is that Russia has no established institutions into which political animosities can be channeled. The potential for an explosion, in which the United States could be seriously hurt, is therefore great.

So if Mr. Clinton's approach is bold, it is also quite risky. The White House concedes that it has only

limited power to help Mr. Yeltsin. As Mr. Clinton said, it will be the Russians who will decide their own fate.

But he told a friend last week that it would be better to try and fail, than to sit on his hands and allow his critics to accuse him of having passively lost Russia, as Harry S. Truman's enemies accused him of having "lost" China.

Between now and April 25, the date of Mr. Yeltsin's referendum, an aide said, "help will have to be symbolic." Mr. Clinton's comments were part of the symbolism, as will be the very fact of their meeting early next month.

As things now stand, Vancouver, British Columbia, remains the site because, as the Russians have suggested strongly in the last 24 hours, moving it would make Mr. Yeltsin look too weak.

Mr. Clinton is also reportedly preparing for a major effort to push Japan into a more cooperative position on the question of aid to Russia.

"They're going to have to drop their insistence on those islands," the aide added, alluding to Tokyo's demand that its long-standing territorial dispute with Moscow over four Kuril Islands be settled before it discusses major aid for Russia.

In the diplomatic maneuvering over the next few weeks and months, the administration would also like to win a commitment for further help from Germany. But the government of Chancellor Helmut Kohl has already spent heavily to help the Soviet Union and then Russia, with only limited results, and it faces huge bills in modernizing Eastern Germany.

The big question preoccupying American planners is how to get money past or around the government in Moscow and into the hands of people who will put it to good use, whether to alleviate economic distress or to start businesses.

With so few alternative channels open, and with the central bank's status unclear, no solutions are obvious, and selling aid to the American public will almost certainly require a convincing explanation of how it will reach worthy recipients rather than disappear into bureaucrats' pockets.

Mr. Clinton also faces some opposition from foreign policy specialists. Henry A. Kissinger warned him in a Washington Post essay to tread carefully. But he faces much more formidable resistance from a public that is weary of foreign adventures, skeptical about Russia and eager to use scarce resources to create jobs and improve health care at home.

Make Even Bigger Cuts, Greenspan Now Urges

By Steven Greenhouse
New York Times Service

WASHINGTON — With congressional approval nearly clinched for President Bill Clinton's economic plan, Alan Greenspan, the Federal Reserve's chairman, called Wednesday for even deeper cuts in the budget deficit, saying he was worried that it would begin rising again late this decade.

Testifying before the Senate Finance Committee, Mr. Greenspan said that the deficit would soar again after 1997 unless Congress cut more over the five years covered by Mr. Clinton's plan and prepared to enact a new round of cuts after that.

Mr. Greenspan had given strong and crucial support to Mr. Clinton's proposal shortly after it was unveiled in February, and on Wednesday he said he remained encouraged by it. But he went on to say that by itself it would not remove the structural forces that have caused the federal debt to balloon over the past decade.

Some Federal Reserve watchers suggested that Mr. Greenspan had always thought the Clinton plan did not cut the deficit enough, but that he had not told Congress that in February because it would have

hurt the chances of Congress's approving the first credible deficit reduction plan to come along in years.

But Wednesday, with the Clinton plan moving smoothly through Congress, Mr. Greenspan apparently saw a chance to nudge Congress and the president toward further deficit reduction.

He also sought to mend fences with conservatives who have lambasted him for praising Mr. Clinton's plan, which relies more on tax increases than spending cuts to reduce the deficit.

He said that merely reducing the deficit the next five years "without addressing the period thereafter is not going to have the type of permanent effects that I think we need."

Tax Plan Survives Attack

The Senate on Wednesday rejected a Republican effort to kill Mr. Clinton's proposed tax increase on many Social Security recipients, as Democrats rebuffed the stiffest challenge yet to the president's economic plan, the Associated Press reported. The vote was 52 to 47 to turn aside the Republican amendment, which was aimed at the most politically sensitive piece of the deficit-reduction plan.



CATCHING RAYS IN WACO — A news photographer sunning himself Wednesday as he watched over the Branch Davidian cult's besieged compound near Waco, Texas. David Koresh, the cult leader, declared a "high holy day" and refused to talk with negotiators.

From South Carolina, Lessons for Improving U.S. Schools

By Susan Chira
New York Times Service

SUMMERTON, South Carolina — When Richard W. Riley, then governor, now U.S. secretary of education, first looked hard at South Carolina's schools in 1983, he saw an educational backwater. The state trailed nearly all others in test scores and money for schools. Rural towns like this one did not even have working microscopes in science classrooms.

It was the start of his second term. Within a year, mounting a campaign that offered toll-free education hot lines and educational town meetings, Mr. Riley pushed through changes hailed at the time as the nation's most wide-ranging education effort.

By spending more money on public schools, imposing higher standards and holding the schools responsible for results, the law helped South Carolina post some of the biggest test score increases in the country, even if the state's scores still lag behind many others.

"It brought South Carolina from the dark ages into

the light," said Jo Day, a first-grade teacher in Columbia, the capital.

The lessons that Mr. Riley learned along the way are the ones he plans to apply to U.S. schools: rally public support to build coalitions to fight for education; insist that schools set goals and test for results; spend money to help schools meet higher standards; ask schools to develop comprehensive plans for change, and keep tinkering with the results.

Many of these principles are incorporated in the Clinton administration's first big education bill, which is expected to be unveiled next week.

The 60-year-old secretary's admirers expect him to do for American education what he did for South Carolina: apply his persuasive powers, his gift for winning allies, and his grit to a cause he cares deeply about.

"He has a bone-deep commitment," said Bill Youngblood, a lawyer in Charleston who heads a business education group charged by the state with

monitoring South Carolina's education laws. "You feel it within a few seconds of the time you meet him. It affects you."

But Mr. Riley's experience in South Carolina also shows how difficult, complex and slow a task that he and his department will face. Despite considerable progress, South Carolina still ranks low compared with the nation as a whole, and test scores have not improved in the last two years. This plateau suggests the limitations of the basic-skills, top-down approach many states adopted in the mid-1980s.

And time has also demonstrated other needs the law did not meet — ones that Mr. Riley and his aides say they will emphasize at the national level: teacher training, more extensive early childhood programs, flexibility for local schools, consolidating the mélange of social services for poor children in schools, and more emphasis on the sophisticated analytical skills that employers want.

Mr. Riley's effort employed tactics like those Ross

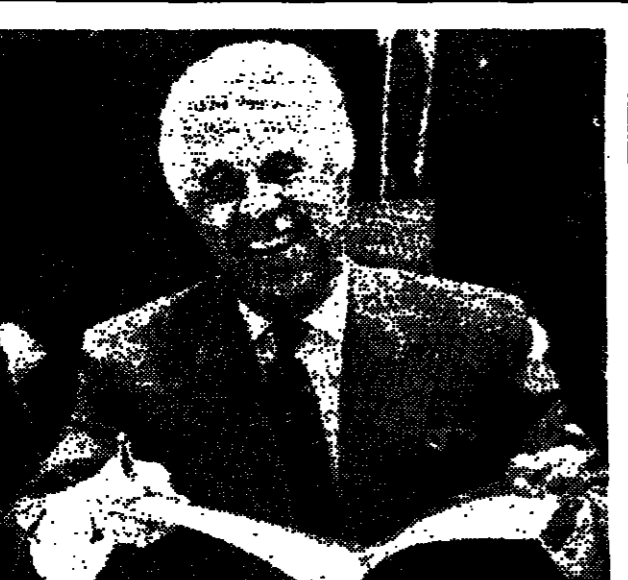
Perot and Mr. Clinton would later make famous. He held question-and-answer sessions, set up toll-free numbers and deployed county coordinators to whip up enthusiasm for his proposed changes.

South Carolina's Education Improvement Act was passed in 1984.

It raised the state sales tax by a penny on the dollar to pay for remedial and gifted-children classes, higher teachers' salaries, early childhood programs, and new basic-skills tests, including a high school graduation exam.

Schools that improved scores and attendance got cash bonuses; the state intervened in school districts whose scores and other indicators dipped below set levels.

In addition to raising test scores, South Carolina's education law and subsequent revisions fired public enthusiasm about education and created a coalition of politicians, business executives and educators that continues to push for improvement in the schools.



Governor L. Douglas Wilder of Virginia was all grins after signing a law in Richmond that limits purchases of handguns.

Firearm Deaths Soaring Among American Youth

Washington Post Service

WASHINGTON — The rate at which young Americans are killed by guns has risen drastically in recent years, and firearms are now involved in one in every four deaths among persons 15 to 24, the federal government reported.

The National Center for Health Statistics, which has been tracking firearm death rates since the late 1960s, reported that the rate among people 15 to 19 had risen to the highest ever recorded in the United States.

In that age group, and among those 20 to 24, firearms are responsible for more deaths than all natural causes combined. Only motor vehicle accidents cause more deaths in those age groups.

In 1990, the last year for which complete data are available, guns used in homicides, suicides or accidents caused the deaths of nearly 4,200 teenagers, according to the report, compared with about 2,500 gun-related deaths in 1985.

Sixty percent of deaths among black teenage males were gun-related, compared with 23 percent among white teenage males.

Compromise on Gay GIs Draws Fire on Both Sides

By Bill McAllister
Washington Post Service

WASHINGTON — Supporters and opponents of President Bill Clinton's plan to lift the ban on homosexuals in the military quickly condemned the president after he said that he might agree to job restrictions on gay service personnel, contending that such a step would create serious morale problems.

Advocates of homosexual rights said barring gay people from combat and other military assignments would create a separate but unequal career path for them. Backers of the current ban objected that if a number of non-combat jobs were reserved for homosexuals, the chances for heterosexuals of ending up in riskier combat jobs would increase.

"This would not be compromise," said Thomas B. Stoddard, coordinator of the Campaign for Military Service, a coalition seeking an end to the ban on homosexuals in the armed services. "This would be capitulation to the other side."

"All we're asking for is to be treated like everyone else," said a navy aviator, Tracy W. Thorne, who is facing dismissal because he is

homosexual. He said the idea of job restrictions would prevent him from returning to flight duty with the attack jet squadron he had served in before declaring his homosexuality.

Supporters of the military's current ban warned that a compromise arrangement would still have a disastrous impact on military morale while leading to further complications. "This is not going to resolve the issue," said Charles S. Moskos, a military sociologist at Northwestern University.

The possibility that avowed homosexuals might be allowed to serve in the military but with restrictions was raised in a question to Mr. Clinton on Tuesday. The president responded that if the services can discriminate in accepting recruits, "then I would think you could make appropriate distinctions on duty assignments once they are in."

In response to a later question, Mr. Clinton said he would not decide whether to support restrictions until receiving a Defense Department report due July 15 on the proposed removal of the ban. "But I wouldn't rule that out, depending on what the grounds and the arguments were," he said.

The Pentagon was directed in January to prepare the report after Mr. Clinton retreated from a plan to end the military ban by executive order. Instead, the president agreed to allow the military services to study the issue and await the outcome of hearings by the Senate Armed Services Committee. The hearings are scheduled to begin next week, but the Pentagon has been slow to start its study.

Many in the military have made no secret of their opposition to serving beside avowed homosexuals, saying the presence of gay personnel particularly in the close quarters of army trenches or navy ships would offend heterosexual personnel and disrupt the efficiency of fighting forces. Permitting homosexuals in the military but keeping them out of the trenches and off ships is an option mentioned by some as a way of meeting the objection to an outright ban while taking into account concerns about maintaining troop morale.

A senior administration official, speaking after the news conference Tuesday, said the president still "thinks it's wrong to discriminate against people on the basis of what they say they are."

Away From Politics

The Supreme Court ruled, 6 to 3, that a ban by the city of Cincinnati on the distribution of free advertising publications from sidewalk racks violated the First Amendment.

Nearly 3 million low-income senior citizens and disabled Americans have failed to take advantage of a federal program that pays some out-of-pocket medical expenses, in part due to complex application forms, Families USA, a health-care advocacy group, reported.

Japanese cars remained way out front in a reliability survey by the magazine Consumer Reports, with Saturn one of the few American makes to get good ratings; but the magazine said U.S. automakers had narrowed the quality gap with Japan's automakers.

Rupert Murdoch has called Governor Mario M. Cuomo of New York and at least two U.S. senators to see if he would have political support for a waiver of Federal Communications Commission regulations to allow him to buy back The New York Post.

A 1992 analysis of the home-movie film of John F. Kennedy's assassination supports the conclusion that a lone gunman killed the president, a report by Dr. John K. Latimer, the first nongovernment investigator to examine the autopsy file, says.

Governor Guy Hunt of Alabama has 12 theft charges against him dismissed in a case involving charges of personal use of \$300,000 in campaign funds, but he still faces trial in April on an ethics charge.

UPI, AP, NYT

John Hersey, Acclaimed Author of 'Hiroshima,' Dies at 78

By Richard Severo
New York Times Service

John Hersey, 78, the novelist and journalist whose book "Hiroshima" awakened Americans to the horrors of atomic warfare, died Wednesday in Key West, Florida.

His novel, "A Bell for Adano," won a Pulitzer Prize for fiction in 1945.

Mr. Hersey suffered a stroke a year ago, and also had cancer of the colon and liver, said his wife, Barbara.

He emerged not only as a first-rate reporter but also as a storyteller who nurtured the idea that writers had to pursue a moral goal. He involved himself deeply in the issues of his day.

In public appearances and in work on special committees, he never hesitated to speak out on such issues as the Vietnam War, which he strongly opposed; or problems in American education, and on issues central to the craft of

writing, including censorship, government intimidation of writers and copyright protection.

Mr. Hersey won praise for the directness of his style, his eye for detail and his ability to get to the heart of any situation. But critics suggested that his journalism showed in his novels.

The novel "A Bell for Adano" was inspired by events that occurred in Licata, a small town in Sicily that was ravaged by World War II. The book used some experiences of Major Frank E. Toscani, a U.S. Army officer who became Licata's military governor and learned from townspeople that their most pressing need was the return of their bell, which had been taken down by the enemy and melted for the war effort against the Allies.

Mr. Hersey's next big project was "Hiroshima," a major work of nonfiction that traces the lives of six people who survived the atomic bombing of Japan in 1945. It was

written as a three-part series for The New Yorker, but the magazine's editors, Harold Ross and William Shawn, instead decided to print it in full Aug. 31, 1946, allowing it to consume nearly all the editorial space in the issue.

Lewis Gannett, writing in The New York Herald Tribune, called "Hiroshima" "the best reporting" of the war and Time magazine praised its restraint. The piece was developed into a book.

There was more praise in 1950 for "The Wall," his novel about events in the Warsaw ghetto from November 1939, with the German occupation, to May 1943, when the last houses in the ghetto were razed.

John Richard Hersey was born in Yantisin, China. His father, Rosece, worked for the Young Men's Christian Association there. His mother, the former Grace Baird, was a missionary.

John, who spent most of his first 10 years in China, spoke Chinese before he spoke English. In 1924, the family moved to Briarcliff Manor, New York. After attending public schools there, he was enrolled in the Hotchkiss School in Lakeville, Connecticut, which he attended from 1927 to 1932. After that came Yale, from which he graduated in 1936, and then Clare College, Cambridge. By the time his college days were over, he was determined to become a journalist.

Returning to the United States in May 1937, he learned that Sinclair Lewis needed a private secretary. Mr. Hersey thus became his summer-time factotum. Later in 1937, he was hired by Time magazine. "Time seemed to me to be the liveliest enterprise of its type, and I wanted more than anything to be connected with it," he later said. In 1939, Time sent Mr. Hersey to the Far East, where he covered the initial stages of World War II. His

first book, "Men on Bataan," appeared in 1942, and the next year he wrote "Into the Valley," a novel about a skirmish on Guadalcanal.

Before moving on to Sicily, Mr. Hersey suffered some injuries, was involved in a few plane crashes, and, on one occasion, found his notes floating in the water outside his wrecked aircraft.

During the years immediately after the war he wrote more novels, such as "The Marmot Drive" (1953), "A Single Pebble" (1956) and "The War Lover" (1959). He also kept alive his interests in things that had nothing to do with his books. He joined a number of local and national educational organizations and took a post at Yale University in 1963.

He became an early opponent of American involvement in the Vietnam War, and in 1965 he was a sponsor of a March on Washington for Peace in Vietnam.

Polykarp Kusch, 82, recipient of

the Nobel Prize in Physics for his contributions to knowledge of the atom, died Saturday in Dallas. He had suffered a series of strokes and had been ill for several months. He determined the magnetic moment of the electron, for which he shared a Nobel prize with another physicist at Columbia University, William E. Lamb, in 1955.

Robert Crichton, 68, author of the best-sellers "The Great Impostor" and "The Secret of Santa Vittoria," both of which became movies, died of heart failure in New Rochelle, N.Y.

William A. Dyer Jr., 90, president of Indianapolis Newspapers Inc., the parent company of The Indianapolis Star and The Indianapolis News, died Sunday in Indianapolis.

Louis J. Jemm, 77, founder of Jenn-Air Corp., a pioneer in the design of kitchen ranges, died March 18 in Indianapolis.

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Herald INTERNATIONAL Tribune

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Help Russians to Hope

It is a fairly encouraging sign in Moscow's crisis of authority that each side wishes to be seen as operating under the law. Unfortunately, the legitimacy of the law itself is at issue.

Mr. Yeltsin would make the Russian people the ultimate political arbiter; he means to consult them in a referendum on April 25. No doubt this procedure lends itself to populist abuse, but it meets the standards of representative democracy.

Prime Time Next Time

Leaving his windbreaker in the closet, Bill Clinton wore a crisp suit, striped tie and polished shoes on Tuesday to the first news conference of his presidency.

on a better way than through the press for the public to question its chief executive. Although rarely models of elevated discourse (ask Richard Nixon), press conferences shed light on policy, increase the accountability of the president and the press, and give him a chance to show that he, not his handlers, runs the show.

Getting Away With It?

Commit atrocities on a large enough scale and you can get away with it, on the argument that full accountability would destabilize the political order.

practical politics, since no democratic culture can be built where citizens live in terror of armed forces that hold themselves above all law. But in cases like El Salvador, where criminality was so pervasive and civil institutions remained weak, practical politics also argues for pursuing symbolic, not total, accountability.

A Tale of 10,000 Ties

A recently deceased corporate executive in Pittsburgh left behind a collection of some 10,000 neckties. He had worn hardly any of them. Until he died (he was in his 70s) he was almost always seen in the same tie, a blue one with fawn stains.

down he probably considers his neckwear to be a truly beautiful and expressive accessory. Many a man has spent more than he should on some tie, only to have second thoughts about subjecting it to the judgment of his peers, who will undoubtedly consider it too bright, too expensive, too many bones and beagles on it. He may take it out occasionally and wonder how it would look with a smoking jacket — although, being an American male he also wouldn't be caught dead in a smoking jacket, and may even have a provision in his will to that effect.



The French Rejected Joblessness

By William Kraft
PARIS — The predicted obliteration of the French Socialist Party in Sunday's first-round parliamentary vote has been seen by some as confirmation of the death of socialism.

The Loss of Two-Parent Families Damages Society

WASHINGTON — In a week when the future of Russia is hanging in the balance, it may seem frivolous to write about anything else. But the topic of this column is not frivolous. It is the American family, whose condition, according to three reports that appeared within days of each other, is alarming.

William J. Bennett, the always provocative former secretary of education and drug czar, now working at the Hudson Institute, introduced an "Index of Leading Cultural Indicators" at a Heritage Foundation press conference.

By David S. Broder
The policy debate is not new. Rival advocacy groups such as the liberal Children's Defense Fund and the conservative Family Research Council have been arguing for their favorite policies for years.

television character Murphy Brown for her single motherhood. The press went crazy, and thereafter any real discussion was buried in hoo-haws over Mr. Quayle and Murphy Brown.

Your Zealots Are Bad for Your Cause

NEW YORK — Someone looking out for the sorry state of my soul sent me "The Spirit of Jezebel," a religious tract originating with a pastor in Texas that takes a kind of seamless-garment approach to America's problems.

By Anna Quindlen
an administrator into the wall. None of this came as much of a surprise to anyone following the course of the anti-abortion movement in America.

anti-abortion commando, jamming clinic phone lines and picketing doctors at their homes. I know that there are others, thoughtful and empathetic. I have listened to the voices of Helen Alvarez, the intelligent and articulate woman who speaks on this subject for the American Catholic bishops, and Nat Hentoff, the friend of the First Amendment who tweaks the notion that abortion opposition is synonymous with fundamentalist Christianity by describing himself as a Jewish atheist.

It was heartened when the president of a Texas anti-abortion organization revealed the shooting of Dr. Gunn: "You don't win a moral war through force or coercion or intimidation. You win through reason." But those who talk in a heartfelt way of abortion as the taking of life are being overwhelmed by the zealotry of those who consider criminalizing abortion the first step toward eliminating the ascendancy of the offending Jezebel.

Economists of the Macro Sort Don't Do Much Good

WASHINGTON — Are economists good for the economy? A survey of the Nobel prize winners in economics — presumably the best in the business — suggests not.

By Robert M. Dunn Jr.
or financial losses over which court cases are being pursued. Economists are not totally useless. Those who work on the economics of individual markets, an area known as microeconomics or applied price theory, are often quite successful in suggesting how things can be improved.

how damaging, but only by another model." This sometimes leaves governments with little alternative to basing policies on theories that fly in the face of experience, until better theories are developed.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1893: A Snarling Storm
NEW YORK — One of the most serious storms which has visited the Middle West for some years commenced on Wednesday [March 22] and is still raging. The damage done in Indianapolis is estimated at \$100,000.

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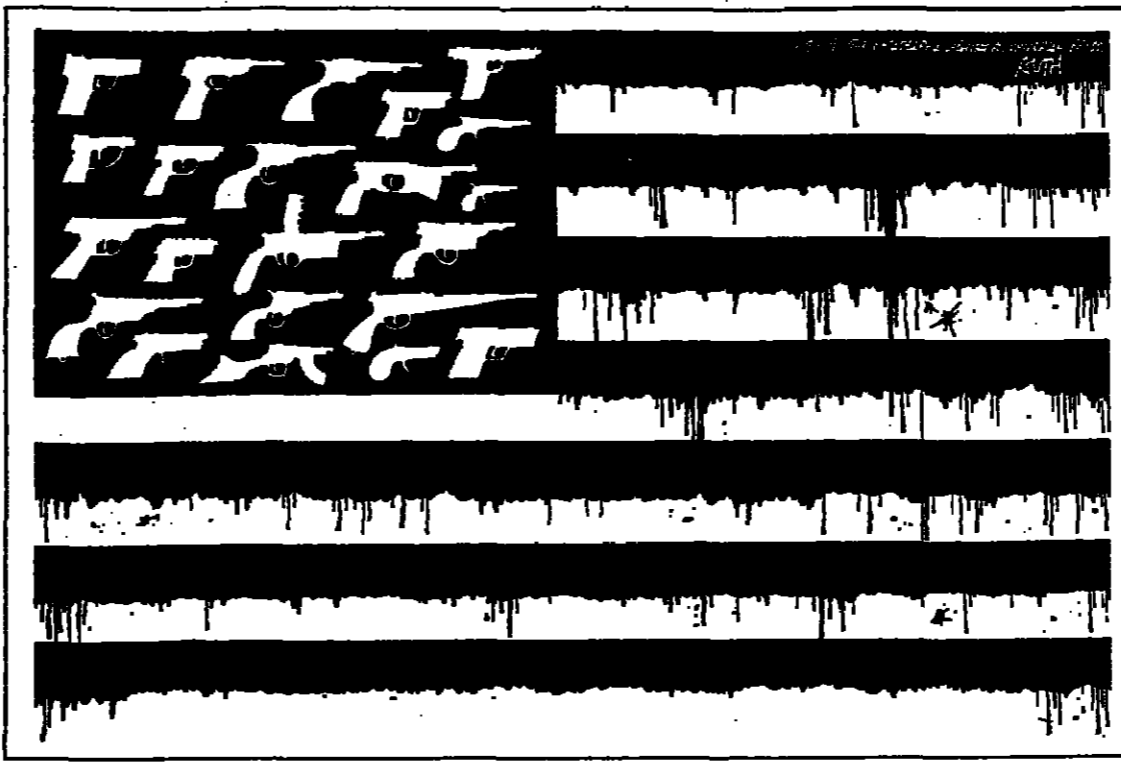
OPINION

Yeltsin: Looking to Locke, He Avoids Kerensky's Path

By George F. Will

WASHINGTON — In London's Putney Vale Cemetery, eight miles south of Marx's grave in Highgate Cemetery, rest the remains of Alexander Kerensky, who might have spared Russia a 70-year secession from civilization. Boris Yeltsin seems to understand the moral of Mr. Kerensky's failure. In July 1917, at a moment of extreme fluidity in the dissolution of the old regime, Alexander Kerensky became Russia's prime minister. Perhaps he would have been brushed aside anyway, but his cautious centrism, his insufficient radicalism, doomed him. He would not remove Russia from the war or boldly multiply property owners by redistributing land. In a matter of months, Bolsheviks, manipulating "workers' councils" pretending to be a legitimate legislative authority, deposed him, using democratic rhetoric to advance totalitarian designs. Mr. Kerensky spent 53 years in exile. Mr. Yeltsin's decision to appeal past today's ersatz legislature (concocted by the dying Communist regime) to the people shows that he will not go quietly along Mr. Kerensky's path. It is not surprising that the sudden collapse of an empire and a secular religion has resulted in chaos, or that the old ruling class of Communists is tenaciously trying to use the new parliamentary forms to regain domination. But time — if Mr. Yeltsin with Western help can buy enough of it — is working against the old guard, for two reasons. One is actual: The old guard is old. The other is that Mr. Yeltsin and the resurgent Russian people are creating intractable facts. Every day brings a thickening of civil society, those private institutions of consensual association and empowerment that enable society to flourish independent of, and if necessary in opposition to, the state. James Billington, the librarian of Congress and a specialist in Russian history, notes that in the Orthodox and other churches, parishes are multiplying more rapidly than priests can be found to administer them. Furthermore, there is under way the largest liquidation sale in history. In 1992 more than 46,815 stores and other state entities were privatized. Mr. Yeltsin aims to sell 8,000 more per month. If the program is not derailed, by the end of the year 150,000 state properties — 25 percent of all state assets — will have been sold. Business Week reports that more than 40 percent of all Russians already are working full or part time in the burgeoning private sector. This is the Second Russian Revolution — a Lockean Revolution, at last. If Russia is to have a democratic order in a consensual society, it must use John Locke to erase Marx's legacy. Locke, the most important intellectual progenitor of

the American Revolution, held that property rights exist prior to government, to which people submit to secure their property. And property is to be understood capably as "lives, liberties and estates" because property is indispensable to individual independence and security. Private property is the foundation of a right to privacy generally. Some of Mr. Yeltsin's opponents are crypto-fascists, totalitarian opponents of any sphere of privacy. And in January in Washington a Yeltsin adviser warned that if fascism comes to Russia, it will not be a mild form — not Franco's or even Mussolini's — but National Socialism, complete with "ethnic cleansing." Mr. Billington believes that Russia faces a choice of two identities. One is authoritarian nationalism glorifying the state and military, and imposing order from the top down. The other is market-oriented democracy that builds participatory and consensual institutions from the bottom up. Extreme nationalists want Russia to play a role regarding the former Soviet republics comparable to Serbia's role regarding the remnants of Yugoslavia. They would adopt a "Chinese model" of openness to the international economy combined with internal repression. For the United States, says Mr. Billington, the stakes are enormous. The entrepreneurial maritime powers — first England, then the United States — have always tried to prevent authoritarianism from dominating Eurasia and reducing democratic societies on the Eurasian periphery to vassalage. If Russia becomes locked in nationalist conflict with the other parts of its former empire, the former Muslim republics may become similarly radicalized for self-protection. This could tip the Middle East's balance toward the Iranian rather than the Turkish model. Mr. Billington believes that even Germany, balanced uneasily between East and West, could be pulled away from its postwar democratic identity, toward a Eurasian pattern of autocracy. If so, the United States might become a marginalized, merely regional power. Mr. Yeltsin's decision to dash, by means of extraconstitutional decrees and a referendum, toward completion of the anti-socialist revolution has coincided with a crushing electoral repudiation of Europe's last unrepentant socialist party. This repudiation occurred Sunday in France, that nation of perpetual political ferment, where Rousseau and the French Revolution infected modern politics with utopianism, and Fourier and Saint-Simon gave that delusion a socialist cast. Today, to shake off the dead hand of all that, Mr. Yeltsin is listening, as it were, to Locke, a father of American liberty. Boris Yeltsin's fight is ours. Washington Post Writers Group.



Guns: Stop the Carnage, Ban the Damn Things

By Molly Ivins

AUSTIN, Texas — Guns. Everywhere guns. But let me first point out that I am not anti-gun, I'm pro-knife. Consider the merits of the knife. You have to catch up with someone to stab him. A general substitution of knives for guns would promote physical fitness. MEANWHILE Plus, knives don't ricochet. And few people are killed while cleaning knives. I support the Second Amendment: "A well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed." But 14-year-old boys are not part of a well-regulated militia. Members of wacky religious cults are not part of a well-regulated militia. Permitting unregulated citizens to have guns is destroying the security of this free state. I am intrigued by the arguments of

those who claim to follow the judicial doctrine of original intent. How do they know it was Thomas Jefferson's dearest wish that teenage drug dealers should cruise the nation's cities perforating their fellow citizens with assault rifles? The reasons for keeping guns away from everyone but members of well-regulated militias get clearer by the day. An often-used comparison is that of the automobile, another lethal object regularly used to wreak great carnage. Society is full of people who have not got enough sense to use an automobile properly. But we haven't outlawed cars. We do, however, license them and their owners, restrict their use to presumably sane and sober adults and keep track of who sells them to whom. At a minimum, we should do the same with guns. There is no rational argument for guns in American society. This is no longer a frontier nation in which people hunt to eat. It is a crowded, overwhelmingly urban country in which letting people have access to guns is a continuing disaster. Those who want guns — whether for target shooting or hunting — should be subject to the same restrictions placed on gun owners in Britain, a nation in which liberty has survived nicely without an armed populace. The argument that "guns don't kill people" is nonsense. Think of how many family arguments end in murder because there was a gun in the house. Did the gun kill someone? No. If there had been no gun, no one would have died — at least not without a good footcure first. Guns do kill. Unlike cars, that is all they do. In his thriller "Jurassic Park," Michael Crichton points out that power without discipline is making society a wreck. By the time someone becomes a martial arts master — literally able to kill with his bare hands — that person has undergone years of training and discipline. But any fool can pick up a gun and kill with it. "A well-regulated militia" surely implies long training and discipline. That is the least that should be required of those who are permitted to have guns, because a gun is literally the power to kill. I used to enjoy taunting my gun-nut friends about their psychosexual hangups — always in a spirit of good cheer, you understand. But letting the noisy minority in the National Rifle Association force us to allow this carnage to continue is just plain insane. I do think gun nuts have a power hangup. I don't know what is missing in their psyches that they need to feel they have the power to kill. But no sane society would allow this to continue. Ban the damn things. Ban them all. You want protection? Get a dog. The writer is a columnist for the Fort Worth Star-Telegram.

LETTERS TO THE EDITOR

Inside Germany

What is so disturbing about the recent voting in the German state of Hesse is not that the far right scored nearly 10 percent, but that this came as a surprise to so many people. Why did it? Weren't the 2,000 violent acts against foreigners in Germany sufficient warning? Did those hundreds of thousands marching to protest such violence think that by lighting candles, hatred would be overcome? Did they think that wearing the slogan "My Friend Is a Foreigner" on soccer uniforms would stem bigotry? Singing "We Shall Overcome" hardly turned the tide against racial hatred and violence in America. There are racists and bigots in America, but we don't call them "Neo-Bigots" or "Neo-Racists" — they're racists and bigots. The people who advocate and practice violence against foreigners in Germany are not "Neo-Anything," they are Nazis. And there is nothing new about Nazism in Germany. Desecration of Jewish cemeteries is not new, violence against foreigners is not new, hatred and arrogance are not new. They are only now rising to the surface again, to the extent that people are finally taking notice. There is a cancer in Germany, but it is not new. It's only now becoming dangerously malignant. It will do no good to cover it with a Band-Aid, or point to another stricken soul and say he suffers too. The only way to treat the disease is to admit that it is there, and then start rigorous treatment. What is needed is for people to look around them, beyond the obvious signs — the murders and beatings — to the everyday examples of hatred and bigot-

The Pope Is No Help

Anthony Lewis's warning, "Where Will We Put the Next Three Billion?" (Opinion, Feb. 20), accords with a recent statement by the eminent French humanitarian Leon Schwarzenberg that the Pope's condemnation of birth control amounts to "nonassistance to a person in danger" — a punishable offense in France. One wonders how many of your readers would agree that the Pope could usefully be replaced by someone with a less irresponsible attitude toward Planet Earth. NESTA COMBER, Venice, France.

No, Taiwan Is Not China

Regarding "Taiwan Is China" (Letters, March 5) from Chih-Chien Hsu: Taiwan is not China. The people of Taiwan feel natural affinity with China and Chinese culture, but they do not wish to be under Chinese rule. The two countries should live and let live, like brothers, closely related and friendly but living in separate houses. Neither should try to dominate — let alone conquer — the other. C. K. TIEN, Toronto.

Choice, Pro and Anti

Regarding "A Woman's Right Prevalts" (Letters, March 9) from C. A. Walters: There is a danger in employing the language of human rights in the service of abortion activism. It hides the fact that a life is lost. It muddles our thinking about the innate value of human life. We "anti-choicers" are alarmed by the ethic of unbridled individual rights that informs much of the pro-choice thinking. We fear that if the rights of the defenseless are not protected, then all of our rights are undermined. HANS JACOBSE, Thessaloniki, Greece. In today's world, where overpopulation is behind so many of society's ills, it would be more humane if "pro-life" advocates would channel their fervor and financial resources into positive, not negative, efforts — becoming "pro quality of life." FAITH M. TOWLE, St. George, Switzerland.

From Tragedy, Hope

In Bosnia, thousands of babies conceived by rape will be born this year. Most will be rejected by their mothers and their communities. They are doomed to miserable lives. Elsewhere, thousands of childless couples are desperately trying to adopt. If the two groups could somehow be brought together, it would do little for the raped mothers, but it would change hellish lives into beautiful ones for the children, and for their adoptive parents. ALBERT REISS, Le Chesnay, France.

Burma Can Be Pressed

In response to the report "Nobelists Call for Sanctions on Burma" (Feb. 20): Remember the sanctions against South Africa. Although they were not necessarily carried out perfectly, they forced the white minority regime to repeal apartheid laws and to negotiate for a future nonracial South Africa even if many obstacles remain. Next is Burma, whose military junta has been totally neglecting democracy. Comprehensive sanctions are the best way to remove the cancer. IWAKAWA YASUHISA, Chiba, Japan.

All for Love

In your issue of Feb. 13 you devote a full page and a half to the murder of a certain Kenneth P. Love. Except for his being (I suppose) a friend of important people in Washington, I don't see how Mr. Love's life could be of any interest to your readers. Very frankly this article

The Effete Elite

Regarding "Britain: Demoralized, Let Down by Mediocre Elites" (Opinion, Feb. 25) by William F. Buckley: Yes, Britain is demoralized by a "mediocre elite," the same "mediocre elite" demoralizing the whole world. ANNE STANFORD, Palma de Mallorca, Spain.



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EUROPEAN TOPICS

The Changing Face Of European Families

Europeans are getting married less often and later, having fewer children and living longer. Since 1960, the rate of marriages among EC inhabitants has fallen from 7.8 per 1,000 to 5.9, and the average age at first marriage has risen from 25.6 to 27.3 for men and from 23 to 25 for women. The size of the average family has fallen so dramatically that only Ireland and Sweden among major countries exceed the replacement rate of 2.1 children per woman.

Louis Roussel, a French demography expert, says new birth-control techniques are only partly responsible for smaller families. Increasingly important are economic, social and educational factors, which are changing people's notion of what a family is and what they are willing to sacrifice to have one.

Meanwhile, an EC study has found that the number of people over 60 has risen by half over the past 30 years and will grow by half again in the next 30. The EC's population of older people could reach 100 million at that time, with a quarter of those people over 80.

Around Europe

Twenty years after the publication of his novel "A Clockwork Orange," the English novelist Anthony Burgess has finally concluded that art can be dangerous. His book, and its screen adaptation by Stanley Kubrick, had brought charges against both men of "concocting a piece of violent pornography," as Mr. Burgess writes in The Observer of London. Indeed, the film, full of stylized and mindless violence, was banned in Britain, though in no other country.

The novelist had long argued that some of the greatest literature — from the Bible to Shakespeare's "Titus Andronicus" —



NEXT STOP, PARIS? — Pamela Harriman, who has been named ambassador to France and would be the first woman in the job. It was also announced that Raymond G. H. Seitz, the first career foreign service officer to serve as U.S. ambassador to Britain, will remain in his post.

contained vivid scenes of rape, mutilation and massacre — and that in any case, "aggression was built into the human system and could not be taught by a book, film or play."

But, he concludes, "we all bow now, anyway, to a thesis I thought I would never accept — that art is dangerous."

Drug trafficking is up sharply in Austria, officials say. The clearest proof is a stark rise in drug-related deaths, from 62 in Vienna two years ago to 94 last year; and from 5 in the Austrian capital in the first 2 months of last year to 23 in the corresponding period this year, Der Spiegel of Hamburg reports. The easier availability of drugs is also reflected in

sharply lower street prices: A gram of heroin now costs less than a third what it did two years ago. The police attribute the change to the lowering of borders with the former East-bloc nations, and to a vigorous traffic in drugs to help finance fighting in the former Yugoslavia.

Remember "A Boy Named Sue," the Johnny Cash song about a child who grew up punching people who laughed at his name? Not likely in Germany, where parents are forbidden by law to choose names that blur gender or otherwise "endanger the well-being of the child." Names that didn't make the cut last year were recently cited in an annual survey, quoted by The

New York Times. Among the rejected were Bierstübl ("beer-hall"), Störfried ("disturber of the peace"), and Whoopy. According to The Week in Germany, riskier names aren't altogether out of the question. It cites "a case in Munich, in which parents were able to persuade a judge to allow them to name their child 'Cougar.'"

A Venice court has ordered an overly conscientious employee to take some time off — for the first time in 28 years. The man, identified only as Athos, said, "I like my work." If he takes all the time due him, he will return to his claims-office job in late 1996.

Brian Knowlton

Mitterrand Said to See Staying as a 'Duty'

By William Drozdiak

Washington Post Service

PARIS — A close ally of François Mitterrand's said Wednesday that the French president would spurn demands to leave office from conservative opponents who expect to form a new government next week and "will not retire one minute" before his mandate expires in 1995.

The departing justice minister, Michel Vauzelle, who is one of the president's most trusted advisers, said Mr. Mitterrand believed his continued presence was vital for the country "in order to provide the proper democratic balance" to the overwhelming majority that a new center-right government will enjoy in the legislature.

"His duty is to stay," Mr. Vauzelle said. "The nation has given him a mandate that the constitution fixes at seven years. He intends to serve his country."

Mr. Vauzelle's comments provided the strongest evidence so far that the 76-year-old president plans to remain head of state despite a continuing battle with cancer and the looming conflict with a hostile government.

The Gaullist leader Jacques Chirac, who is ahead in opinion polls among likely presidential candidates, said Tuesday that "it would be in Mitterrand's own interest to resign" in light of the crushing defeat inflicted on his Socialist Party in the first round of parliamentary elections Sunday.

The opposition alliance linking Mr. Chirac's Rally for the Republic with former President Valéry Giscard d'Estaing's Union for French Democracy expects to control between 440 and 480 of the National Assembly's 577 seats after a runoff vote is held Sunday. The Socialists may win fewer than 70 seats; in the previous legislature they held 276.

But Mr. Chirac's appeal was contradicted on Wednesday by Mr. Giscard d'Estaing, who harbors ambitions of recapturing the presidency and avenging Mr. Mitterrand's defeat of him in 1981. Mr. Giscard d'Estaing had urged Mr. Mitterrand to resign months ago but, with Mr. Chirac holding the advantage in opinion polls, he now says it would be better for Mr. Mitterrand to finish his second term.

"If we wanted to obtain the departure of Mitterrand," he said, "we should have said so before the elections and alerted the voters to the consequences we would draw from his votes."

"We must respect the constitution." Despite the Socialist defeat, Mr. Mitterrand appears confident that he will be able to exploit his presidential powers during the forthcoming "cohabitation" with an opposition government to divide and conquer his rivals on the right.

Besides the personal rivalry between Mr. Chirac and Mr. Giscard d'Estaing, there are sharp policy differences that may soon arise after being camouflaged in the legislative program unveiled by the center-right coalition before the election.

Mr. Chirac's party is taking a hard-line stand in defense of French farming interests, even at the cost of killing hopes of reaching a global trade accord and provoking a crisis with France's partner in the European Community. Mr. Giscard d'Estaing wants to renegotiate the EC's recent farm reforms, but he and his party ardently believe in European integration and worry about the chauvinistic tendencies of their Gaullist partners.

Aides say that Mr. Mitterrand will exercise his full presidential prerogatives in determining foreign and defense policy, and intends to use his remaining time in office to instill fresh momentum in the drive for European unity. He will not be perturbed, aides say, if any new initiatives on Europe should cause trouble for the ruling conservative coalition.

At a farewell meeting with Socialist ministers that participants described as emotional, Mr. Mitterrand analyzed the reasons behind the Socialist's cataclysmic defeat. The president reportedly deplored the failure of the Socialists to heed his advice and approve a proportional voting system that would have greatly cut the margin of their loss.

He also thanked the cabinet, led by Prime Minister Pierre Bérégovoy, for work performed under difficult circumstances. "You've served under the republic; you've served a great idea," Mr. Mitterrand said, according to a government spokesman, Louis Mermaz.

Egypt Secretly Extradites N.Y. Bombing Suspect

By Chris Hedges

New York Times Service

CAIRO — The Egyptian man alleged to be the ringleader in the bombing of the World Trade Center in New York was turned over to U.S. agents in Cairo on Wednesday and flown back to the United States, Egyptian officials said.

The arrest and extradition of Mahmoud Abu Halima, 34, was handled by the country's intelligence service and remained a secret until Mr. Halima left Cairo.

Federal officials described Mr. Halima as a New York City taxi driver and said he arrived at Stewart Airport in Newburgh, New York, north of New York City, Wednesday night. He was to be arrested Thursday. The Associated Press reported from New York.

"He is probably more involved in this bombing than any of the other ones we have arrested so far," a federal investigator said. He said at least two more suspects were being sought.

The investigator said Mr. Halima oversaw the operation in which a bomb loaded in a rented van was detonated in a parking garage beneath the trade center.

Although Mr. Halima had apparently been arrested on March 14, according to one official, security officials repeatedly denied that they had any information or knowledge about the suspect.

Government officials, according to those close to the investigation,

feared a possible backlash by Islamic militants if the detention and extradition of Mr. Halima became public before he left the country.

Mr. Halima is the fourth suspect arrested in connection with the Feb. 26 bombing that left six dead and more than 1,000 wounded.

He has close ties with the militant Egyptian cleric, Sheikh Omar Abdel Rahman, who calls for the violent overthrow of the govern-

ment of President Hosni Mubarak. The radical cleric is closely tied with the main militant organization, the Islamic Group.

The capture was a coup for security forces that have been unable in recent months to break the back of an increasingly violent militant Islamic movement.

It was unclear, however, whether the Egyptians had stumbled onto Mr. Halima, capturing him in a

roundup of militant suspects and later discovering his identity, or

lain in wait for him when he arrived in Egypt. There was no word on the whereabouts of Mr. Halima's German-born wife and four children, who reportedly fled to Egypt with him shortly after the arrest of the first bombing suspect, Mohammed A. Salameh, in New Jersey.

There was no explanation of the legal basis for the extradition.

Weizman Gains Israeli Presidency

By Clyde Haberman

New York Times Service

JERUSALEM — Ezer Weizman, a blunt-talking swashbuckler who evolved from a hawkish general into a leading voice for peace with the Arabs, was elected Israel's seventh president Wednesday by a parliament that for a while was the gang that couldn't vote straight.

A befuddled and embarrassed legislature had to vote twice because the first time, for reasons unclear, it wound up with 124 ballots being cast — four more than its membership.

But in the end everything came out as expected. Mr. Weizman, 68, a former defense minister and air force commander who had quit politics a year ago, completed his comeback by defeating Dov Shilansky, a former parliament speaker. The vote was 66 to 53, with one ballot blank.

The new president's five-year term will begin on May 13, when he succeeds Chaim Herzog, who has held the basically ceremonial, but potentially influential, position for the last decade.

Also Wednesday, the opposition Likud party held its first nationwide primary to choose a head of the party, with Benjamin Netanyahu, a former deputy foreign minister, strongly favored to finish first in a four-candidate field. The main question seemed to be whether he would win a 40 percent share of the vote, which is needed to avoid a runoff, but that will not be answered until the ballots are counted Thursday.

Although the presidency has no real power, except to pardon criminals, it can be an important forum, and Mr. Weizman, who was a driving force behind the 1978 Camp David peace accords between Israel and Egypt, has hinted that he will use the office as a bully pulpit.

In the past, he called for more rapid strides toward peace with Israel's Arab neighbors and direct negotiations with the Palestine Liberation Organization. He himself was said to have talked with the PLO in 1989, when such contacts were illegal, and although he never confirmed or denied the reports, he was forced out of a left-right unity government.

WEAPONS: South Africa Says It Built and Destroyed 6 Nuclear Bombs

(Continued from page 1)

government, said Wednesday that it approved of abolishing South Africa's atomic weapons, but that it was skeptical of Mr. de Klerk's claims to have disposed of all of the country's bomb-grade uranium.

Government officials said it was only last weekend that the last batch of technical documents relating to the bomb program — including minutes of meetings where important decisions were made — were destroyed.

Officials said the decision to develop atomic weapons was taken by Prime Minister John

Vorster at the urging of Pieter W. Botha, then the defense minister and president from 1979 to 1989.

Mr. de Klerk said knowledge of the program had been restricted to a handful of ministers.

The decision to build seven bombs, the minimum deemed necessary for a "credible deterrent capability," was made "against the background of a Soviet expansionist threat in southern Africa," Mr. de Klerk said, as well as "South Africa's relative international isolation and the fact that it could not rely on outside assistance, should it be attacked."

Security Crackdown Planned

Mr. de Klerk told Parliament that he would mobilize military reservists to help police in a crackdown on "barbaric" political violence, including the murders of children. Reuters reported from Cape Town.

Mr. de Klerk said the police were holding 18 members of the Azanian People's Liberation Army, the military wing of the black-supremacist Pan-Africanist Congress.

He said reservists would be called up to drastically increase the manpower of the security forces.



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HEALTH / SCIENCE

Huntington's Disease: Gene Identified

By Natalie Angier
New York Times Service

NEW YORK — After 10 years in a research purgatory of false leads, failed experiments and long stretches of despair, an international team of scientists says it has discovered the most coveted treasure in molecular biology, the gene behind Huntington's disease.

tiny segment of the gene is abnormally expanded and repeated over and over. Researchers emphasized that much work needed to be done before they could use the mutation as any sort of precise prognostic tool.

The next step in research is to find out how the protein produced by the normal version of the Huntington's gene works in the body, and why the expanding mutation within the gene has such catastrophic consequences.

Hospital and the leader of the collaboration, came up with a so-called marker for Huntington's, a piece of DNA that indicated roughly 100,000 genes found in the human blueprint.

Portrait of a Fatal Disease

What is Huntington's disease? Huntington's disease, or Huntington's chorea, involves degeneration of the basal ganglia, a pair of nerve clusters deep in the brain. It causes progressive, debilitating symptoms: chorea, which is rapid, jerky, involuntary motion, and dementia, accompanied by personality changes, memory loss and irritability.

How is it passed on? Scientists now know that the disease involves an inherited mutation that produces extra copies of a gene sequence on chromosome 4. Each child of a parent with the disease has a 50 percent risk of inheriting it.

Who gets it? The disease is known to affect about 30,000 Americans; 150,000 more are at risk.

When does it appear? It typically strikes in the third to the fifth decade but may appear earlier or later.

What is the outlook? The disease, which is incurable, is eventually fatal, usually in 10 to 20 years after it appears. Research suggests that severity and age at onset are linked to the number of repetitions of the mutated sequence, but further research is needed to confirm the theory.



Sources: Massachusetts General Hospital; 'The A.M.A. Medical Encyclopedia' (Random House)

Deciphering the Tale Of a Pre-Mayan Lord

By John Noble Wilford
New York Times Service

NEW YORK — There once was a warrior by the name of Harvest Mountain Lord. He lived in a hot, humid land by the bend in a river that flowed into another river that ran to the sea. Many were the battles he fought and the blood rituals he endured, for this warrior was ruler of the people by the river.

tant but little-understood epoch in Mesoamerican cultural history. These are the centuries between the waning of the Olmec society, which flourished from 1200 to 500 B.C., and the Classic Period civilizations of the Mayans and others, beginning about A.D. 300.

Another Tale From Ancient Stone

Researchers interpret this excerpt from the recently translated epi-Olmec stela as part of a description of a ritual. It instructs a king that 'nine days later a jaguar spirit should be acquired.'



4 dots plus a bar: the numeral 9. Phonetic symbols that spell 'day.' Jaguar spirit. It should be acquired.

Sources: Images rendered from an original photograph from the Carter for Maya Research; Interpretation by John Justeson.

Dennis Schellinger/The New York Times

New Drug Slows Multiple Sclerosis

By Barry James
International Herald Tribune

AFTER hundreds of proposed cures have been tried and rejected, researchers are still no closer to a cure for multiple sclerosis, the progressive neurological disease, but there is now a serious hope that the debilitating and fatal disorder can be held in check.

more, beta interferon, which in a study involving 372 patients was found to be effective in reducing acute episodes of the disease and in lessening the severity of episodes that did occur.

working on a similar product to treat multiple sclerosis came to light because of the publicity engendered by the movie.

Breakthrough on Malaria Vaccine

By James Brooke
New York Times Service

BOGOTA — Working in laboratories housed in a Victorian-era hospital building here, a Colombian physician may have unexpectedly jumped to the front of a world race for a vaccine against one of the planet's deadliest diseases: malaria.

was found to last from one to three years. "We are getting 40 to 66 percent protection in field trials," Dr. Patarrayo said in an interview in his office here.

ventional approaches when he decided to design a vaccine to kill Plasmodium falciparum.

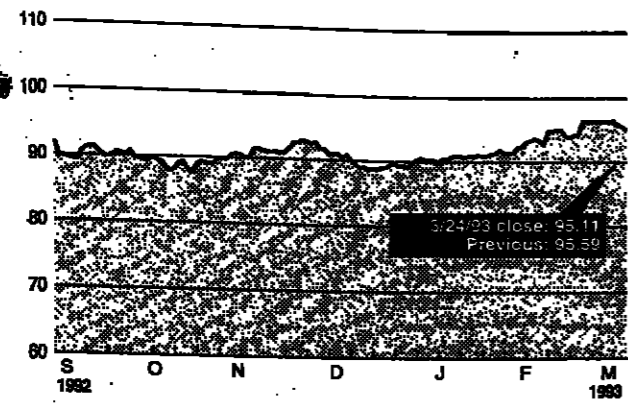
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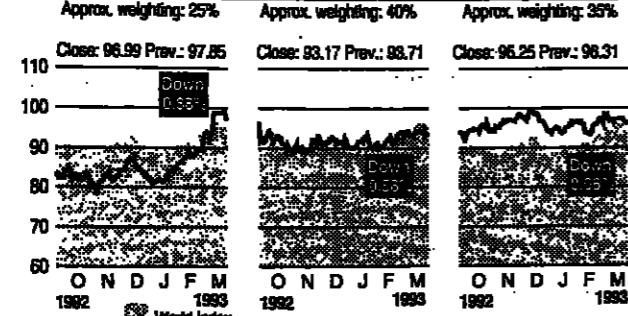


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Tokyo Fires Back At Clinton On Trade

By James Sterngold

TOKYO — Escalating the trans-Pacific war of words, Japan met tough trade talks from President Bill Clinton with tough talk of its own Wednesday, angrily rejecting assertions that the Japanese market was closed and threatening a legal battle if the U.S. administration imposed new tariffs on imports of Japanese minivans.

The latest exchange was sparked by comments Mr. Clinton made at a press conference Tuesday in which he kept to his administration's combative tone on trade relations with Japan. Asked if he had dropped his campaign pledge of sharply increasing tariffs on imported Japanese minivans, by reclassifying them as trucks rather than autos, Mr. Clinton criticized the Bush administration's decision not to take this step and said he was reviewing the issue.

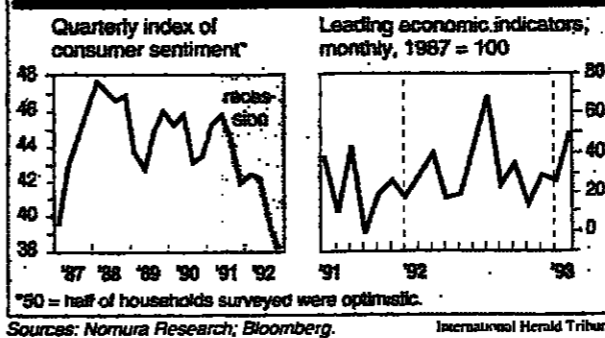
Budding Rebound in Japan? Series of Signals Points to Fragile Recovery

By Paul Blustein

Washington Post Service

TOKYO — Listen carefully and you may hear the Japanese economy hitting bottom. For the past two weeks, the steady drumbeat of bad economic news has subsided, supplanted by a spate of favorable tidings. The Tokyo stock market, which has been propped up by government intervention, has risen on fairly heavy trading volume by more than 10 percent since March 4.

Positive Japanese Thinking?



Agency announced Tuesday that the leading economic indicators for January went up, hitting the 50 percent level — the so-called "boom-or-bust" line — for the first time in 10 months. An index consistently above that level usually signifies an expanding economy three to six months ahead, while a consistently lower index usually signifies contraction.

Brussels Offers Sign of Support For Yeltsin Plan

By Tom Buerkle

International Herald Tribune

BRUSSELS — The EC Commission sent a "political signal" of support to reformers in Moscow on Wednesday by dangling the prospect of an eventual free-trade arrangement between Russia and the European Community.

G-7 Link Proposed By Russia

Compiled by Our Staff From Dispatches

WASHINGTON — The Russian foreign minister, Andrei V. Kozyrev, proposed Wednesday a five-to-seven-year cooperation program between Russia and the Group of Seven industrialized countries covering finance, technology, trade and investment.

Belgian Government May Become A Victim of EC Currency Turmoil

Compiled by Our Staff From Dispatches

BRUSSELS — The Belgian government teetered on the brink of collapse Wednesday in a budget crisis brought on by the currency turmoil in Europe.

It might also mean that Belgium would assume the rotating EC presidency from Denmark in July without a functioning government.

The Belgian franc, one of the stronger currencies in the eight-currency EC grid, slipped to fifth place from fourth on Wednesday morning but then recovered to fourth again.

Agency announced Tuesday that the leading economic indicators for January went up, hitting the 50 percent level — the so-called "boom-or-bust" line — for the first time in 10 months.

The offer also is only one element of the Western effort to support the Russian reform movement led by President Boris N. Yeltsin in its current struggle with hard-liners in the Russian Parliament.

INTERNATIONAL MANAGER

The Credo at North West: Water's Water Everywhere

By Erik Ipsen

International Herald Tribune

WARRINGTON, England — British tap water is clean, clean (one hopes) and rarely considered a promising topic for scintillating conversation. Except, that is, at the newly refurbished Warrington headquarters of North West Water.

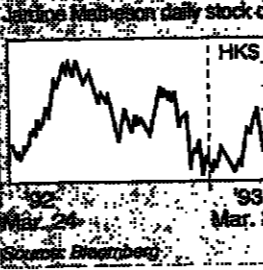
Jardine Is Looking Back Toward China

By Kevin Murphy

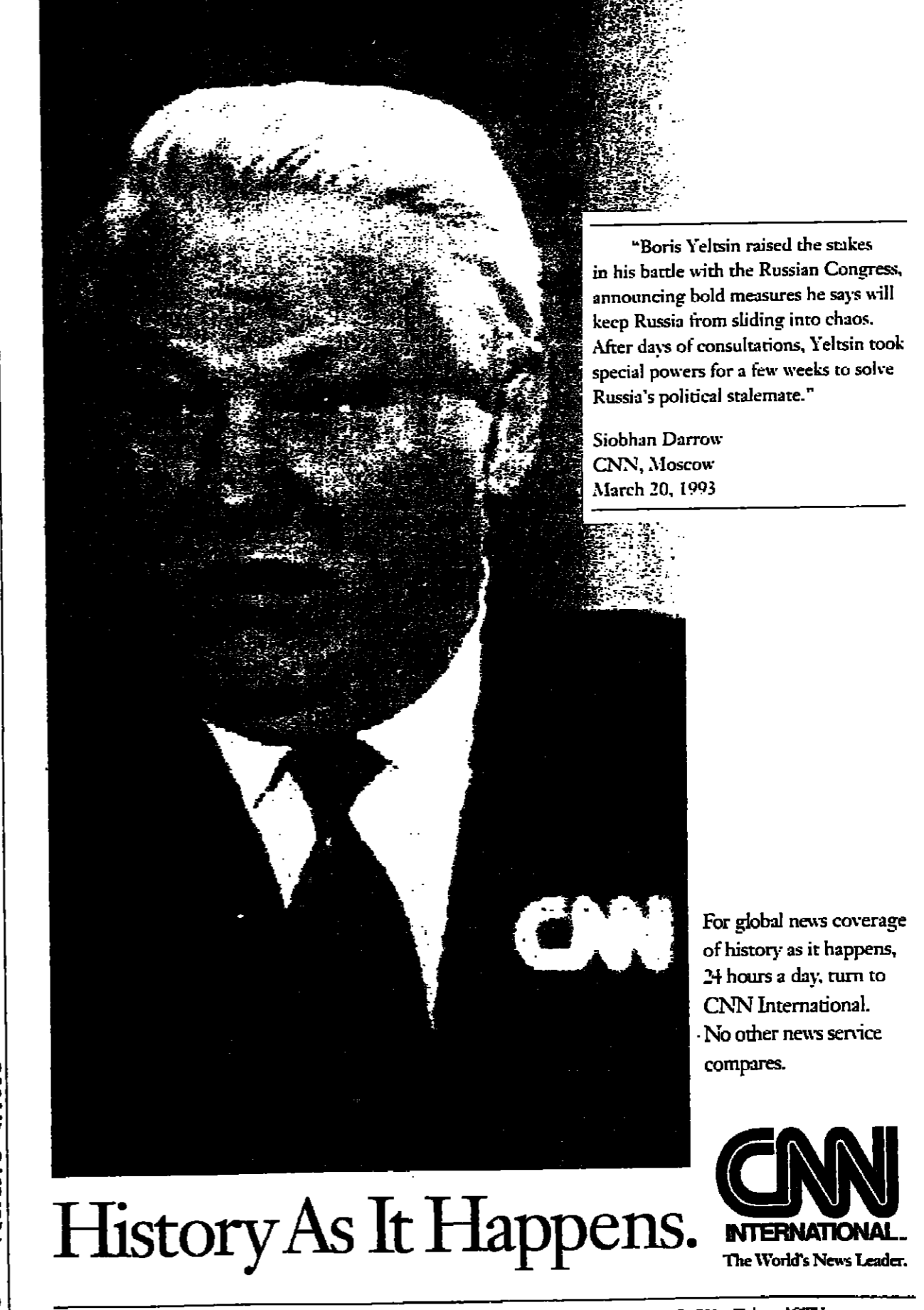
International Herald Tribune

HONG KONG — Jardine Matheson Holdings Ltd., reporting Wednesday a strong 1992 earnings performance, said it hoped to aggressively expand its business in China.

Jardine's Year



Mr. Rich ruled out inviting a Chinese investor into Jardine Matheson, a Hong Kong-style insurance policy against future political difficulties with Beijing, but he remained tight-lipped on specific expansion plans.



"Boris Yeltsin raised the stakes in his battle with the Russian Congress, announcing bold measures he says will keep Russia from sliding into chaos. After days of consultations, Yeltsin took special powers for a few weeks to solve Russia's political stalemate."

Siobhan Darrow CNN, Moscow March 20, 1993



For global news coverage of history as it happens, 24 hours a day, turn to CNN International. No other news service compares.

CURRENCY & INTEREST RATES

Large table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, and Forward Rates. Includes various currency pairs and interest rates.

MARKET DIARY

Drug Stocks Slide On Merck Warning

Bloomberg Business News NEW YORK — U.S. stocks fell Wednesday for a third consecutive session on the New York Stock Exchange, after a profit warning from Merck & Co. triggered widespread selling in drug shares.

Higher Treasury bond yields and lingering concern about the political situation in Russia also drove stocks lower, traders said. After drug stocks, computer issues, led by International Business Machines Corp., posted the biggest losses.

"There are a number of things hurting the market," said Thomas Gallagher, managing director in charge of capital commitment at Oppenheimer & Co. "Bonds are going down, and stocks are under pressure because of the drug news."

Merck plunged \$2.125 to \$34.75, after bottoming at \$33.75, its lowest level in two years. The company, the world's largest drug maker, said 1993 earnings would come in below investors' expectations.

IBM plunged \$3 to \$51.25, but Microsoft gained \$3.125 to \$86.25 and Apple rose \$1 to \$53.75. Declining common stocks topped advances 8 to 7. Trading was active, with about 274 million shares changing hands on the Big Board, compared with 233 million on Tuesday.

The Standard & Poor's 500 Index finished 0.69 of a point lower at 448.07. The Nasdaq Composite Index lost 0.67 of a point to 674.37.

Stocks had opened higher on news of an unexpectedly large rise of 2.2 percent in February durable-goods orders. "This report is certainly good news in that it means the economy is getting stronger," said Tony Cecin, director of trading at Piper, Jaffray & Hoopes Inc.

Treasury bonds fell after the durable goods report, stabilized briefly, and then dropped further, although the Treasury's sale of \$15.25 billion in two-year notes ended an average yield that was lower than expected. The yield on the benchmark 30-year bond was 6.81 percent, up four basis points on the day.

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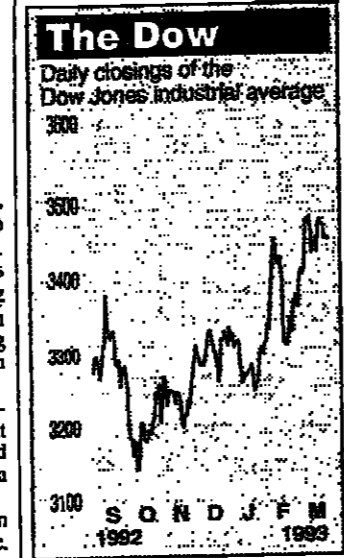
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Wedge's loss extended off by skittishness about the political battle between President Boris Yeltsin and the Russian parliament. "There's always the freak-out factor," said Philip Smyth, a market analyst at Birinyi, "People get upset about these things and they sell their stocks."

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The Dow Daily closings of the Dow Jones Industrial Average

Table with columns: Index, High, Low, Close, Change. Includes Dow Jones, Standard & Poor's, and NYSE Most Active.

Table with columns: Index, High, Low, Close, Change. Includes Dow Jones Bond Average and Market Sales.

Table with columns: Index, High, Low, Close, Change. Includes NYSE Most Active and NYSE Diary.

Table with columns: Index, High, Low, Close, Change. Includes NASDAQ Diary and Amex Diary.

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Table with columns: Index, High, Low, Close, Change. Includes Dow Jones Averages and Standard & Poor's Indexes.

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Table with columns: Index, High, Low, Close, Change. Includes European Futures and Food.

Table with columns: Index, High, Low, Close, Change. Includes Metals and Stock Indexes.

Table with columns: Index, High, Low, Close, Change. Includes Dividends and Financial.

Table with columns: Index, High, Low, Close, Change. Includes S&P 100 Index Options and U.S. Futures.

Table with columns: Index, High, Low, Close, Change. Includes U.S. Futures and Grains.

Table with columns: Index, High, Low, Close, Change. Includes U.S. Futures and Metals.

Table with columns: Index, High, Low, Close, Change. Includes U.S. Futures and Lumber.

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Continental Reopens Boeing Orders

SEATTLE (Combined Dispatches)—Continental Airlines is renegotiating orders for nearly \$3 billion worth of Boeing jets after canceling \$2 billion in orders with Airbus Industrie, an airline spokesman said Tuesday. The carrier also announced that its president, Lewis Jordan, had resigned to pursue other options.

Continental, the fifth-largest U.S. air carrier, is struggling to emerge from Chapter 11 bankruptcy proceedings. The airline announced on Tuesday it had canceled orders for 20 jets from Airbus, the European consortium that gives Seattle-based Boeing its stiffest global competition. "We rejected the contract with Airbus as part of the bankruptcy process," a Continental spokesman, Richard Danforth, said. "We are continuing to have discussions with all aircraft manufacturers."

The airline has neither affirmed nor rejected existing contracts to buy 50 Boeing 737 jets worth about \$1.6 billion and 25 757 jets worth about \$1.3 billion, Mr. Danforth said.

U.S. Durables Up 2.2% in February NEW YORK (NYT)—Offering fresh evidence that the economy is gaining strength, the Commerce Department reported Wednesday that orders last month for durable goods—machinery, aircraft, cars, military hardware and other expensive, long-lasting items—rose a healthy 2.2 percent, the fourth increase in the past six months.

But like most recent Government reports, this latest measure of the economy's health also suggested weakness that could dilute the recovery in coming months. Orders for new commercial aircraft, for example, grew up one month and down the next. In February, they rose very sharply. Excluding these aircraft, all other durable-goods orders fell by sevenths of a percent.

"It is hard to say what this mix of numbers is telling us, but they seem to be saying that the economy does not look bad," said Kathleen Mentz, supervisor of the statistics who gather the durable-goods data at the Census Bureau, an arm of the Commerce Department.

The February surge nearly reversed a decline in January of 2.3 percent and a very large 9.7 percent rise in December. Rising consumer demand and perhaps the desire of manufacturers to rebuild inventories helped explain the strong February durable-goods report, economists said.

But there were mixed signals. A three-tenths of 1 percent increase in unfilled orders, the third month rise in this category, suggested that manufacturing output will remain strong this spring. A rise in unfilled orders means that manufacturers are becoming busier and therefore taking longer to fill a buyer's request for goods. But some of this demand was a result of strong retail sales from Thanksgiving through January, and consumer buying fell off in February.

The Commerce Department said that durable-goods orders in February reached \$135 billion, seasonally adjusted. That figure nearly equaled the December level and was well above any other month last year, when these orders never exceeded \$125 billion in a single month.

Ex-Salomon Officials Weigh Venture

NEW YORK (Bloomberg)—John Meriwether, Salomon Brothers' former vice chairman, and Eric Rosenfeld, a protégé who left the firm abruptly in January, are considering starting a money management business, sources familiar with their plans said Wednesday.

Mr. Rosenfeld, former co-head of Salomon's bond department, told friends he was trying to raise money for a new company with Mr. Meriwether.

Carla A. Hills, former U.S. trade representative, has been nominated to the Chevron Corp. board of directors.

Apple Computer said it planned to start selling a three-in-one compact-disk player this summer as part of its move into consumer electronics. It said the PowerCD machine could play audio discs, photo CD disks and CD-ROM video discs, via a Macintosh computer or a TV.

Mobile Corp. said it would sell its 25 percent stake in New Zealand Synthetic Fuels Corp. to its partner in the natural-gas-to-gasoline plant, Fletcher Challenge Ltd. of New Zealand.

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BELGIUM: Currency Victim?

(Continued from first finance page) weekly business magazine the latest cut in German interest rates would not be the last this year. But he also restated the Bundesbank's cautious policy. The magazine Finanzzen quoted Mr. Issing as warning the Bundesbank had to take a depreciation of the mark against the dollar seriously.

"Anyone urging swift interest rate measures should be aware of the risk this involves and not give the impression long-term rates automatically recede further parallel to central-bank rates," he told Finanzzen. Mr. Issing said lower interest rates should not endanger the mark's value, adding that the German currency's depreciation against the dollar "should be taken seriously."

The mark was quoted against the dollar Wednesday at 1.6270, down from 1.6338 at the close in London on Tuesday. The Belgian franc was at 20.63 per mark in late trading, below its central ERM rate at 20.6255 per mark, and at 33.57 in the dollar.

In New York, the dollar also advanced. It closed at 1.6377 DM, up from 1.6305 at 117.535 yen, com-

BELGIUM: Currency Victim?

pared with 115.950, and at 1.5160 Swiss francs, up from 1.5095 francs. Economists said that Tuesday's higher-than-expected rise in inflation in Germany's North Rhine-Westphalia region decreased the likelihood of an immediate cut in key German interest rates. "The Bundesbank is in a gradual easing mode," said the chief economist at DKB International, Gerard Lyons.

Belgium's troubles have a wider resonance because it is one of the countries, along with Luxembourg, the Netherlands, Germany and France that have been identified as the first EC members to share a single currency. To qualify, they must meet tough standards on inflation, interest rates, currency stability, budget deficits and public debt.

On most counts, Belgium already does, or is predicted to meet the targets in 1996. But unless it can get its deficit and debt under control, Belgium's membership of the elite core group looks in doubt.

At the heart of the crisis is the need to make budget savings of 110 billion francs, just as the economic slowdown in Europe is eating into tax revenue and boosting spending on unemployment and other social benefits.

(Reuters, Bloomberg)

BRUSSELS: A 'Signal' to Yeltsin

(Continued from first finance page) Europe's support for efforts to introduce market-oriented reforms. He will be accompanied by the foreign ministers of Denmark, Belgium and Britain, the current, next and previous occupants of the rotating EC presidency.

Echoing recent American statements, Mr. van den Broek said the European mission was not to support Mr. Yeltsin personally "but for what that person represents."

Denmark and Britain, among others, also have voiced strong support for offering greater trade prospects to Russia.

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WORLD STOCK MARKETS

Table with columns: Market, Index, High, Low, Close, Change. Includes Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Zurich, Tokyo, Hong Kong, and others.

U.S. FUTURES

Table with columns: Season, High, Low, Open, High, Low, Close, Change. Includes Grains, Metals, Lumber, Livestock, and Financial.

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APR 10 1993

Nestlé Posts Profit Rise, Plans Capital Revamp

Compiled by Our Staff From Dispatches VEVEY, Switzerland — Nestlé SA reported Wednesday a 9.2 percent gain in 1992 profit and announced plans to raise capital and simplify its share structure.

The food conglomerate said consolidated net profit rose to 2.70 billion Swiss francs (\$1.78 billion), from 2.47 billion a year earlier. Sales gained 7.9 percent, to 54.5 billion francs from 50.5 billion.

Nestlé said it would raise its dividend to 23.50 francs, after paying 21.50 francs in 1991.

The company also said it would propose the creation of a single category of registered shares to replace current three-tier structure, in an effort to make its stock more attractive to institutional investors.

Nestlé also said it would propose a capital increase involving the creation of 1.552 million new registered shares. Though conditions for the offer had not been set, Nestlé said the shares would be issued at below market price at the rate of

Study Hails Market Gains China, and Some East Europeans, Do Well

International Herald Tribune Of all the nations in Europe and Asia struggling to throw off the burden of a state-run economy, China, Poland, the former Czechoslovakia, Hungary and Slovenia are far ahead in their potential competitiveness in world markets, according to a study scheduled for release Thursday.

The new Emerging Market Economics Report, conducted by the Lausanne-based International Institute for Management Development and the World Economic Forum of Geneva, ranks 20 countries that are moving to a market economy on a number of measures designed to judge their ability to succeed in both expanding trade and attracting investment.

Of the Big Three nations — China, India and Russia — China is well ahead of India, which only recently began a process of economic liberalization, while Russia is considered far behind. Not

Veba Hit By Slide in Chemicals

Compiled by Our Staff From Dispatches DUESSELDORF — Veba AG, the German energy and chemicals conglomerate, said Wednesday that its group net profit had fallen 14.7 percent to 1.04 billion Deutsche marks (\$636.8 million) in 1992.

Chairman Klaus Filtz, fearing another rough year in chemicals, said "our aim for business in 1993 will be to prevent a fall in profit."

He declined to make predictions about 1993 but said that the profit situation in the first two months led him to believe that the company could avoid a further drop.

Veba also said that group sales rose 9.9 percent to 65.4 billion DM and that it would propose an unchanged dividend of 12 DM for 1992.

6 Former López Associates Quit GM

Compiled by Our Staff From Dispatches DETROIT — General Motors Corp. said Wednesday that six executives who had been working with José Ignacio López de Arriortua before he left to join Volkswagen AG had also quit and were likely to follow him to VW.

Francisco Garcia, in charge of electrical purchasing, José Gutiérrez, purchasing of machinery, and Hugo Van der Auwera, purchasing of metals, had come with Mr. López to Detroit from Europe a year ago.

Other executives, Ramón Pizarro, José Alvarez and Andrés Versteeg, are more junior, General Motors said.

GM said the departures of the six — all of whom are Europeans, as is Mr. López, who is Spanish —

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various market indices with their respective values and changes.

Very briefly:

- Lesmo PLC, the British oil company, suffered a loss of £385 million...
• Elf Aquitaine, the French oil concern, said its group net profit fell 36.7 percent to 6.2 billion French francs...
• Siemens Nixdorf sales dropped 6 percent to 4.5 billion Deutsche marks...
• Volvo AB said it would discuss the possibility of raising its level of permitted share capital to a range between 1.9 billion kronor...
• Kingfisher PLC said pre-tax profit fell 7 percent to £10.9 million for the financial year ended Jan. 30.

EC Clears Sony Purchase in Berlin

BRUSSELS — The EC Commission has approved the purchase of land by Sony Corp. at the Postdammer Platz in Berlin for use as its European headquarters, the commission said Wednesday.

The land was sold to Sony by the Berlin Senate for 101.1 million Deutsche marks (\$62 million) in December 1991. The commission examined the sale to determine if the site had been sold at a fair market price, and whether state aid had been involved.

The commission said it had determined that there was no state aid involved in the sale, even though the market price of the land was estimated at between 128 million and 149.5 million DM.

INTERNATIONAL FUNDS

Large table listing various international funds, their managers, and performance data. Includes sections for International Income Fund, International Equity Fund, International Bond Fund, and International Money Fund.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

NYSE

Wednesday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio High Low Last Change

12 Month High	12 Month Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
100	90	IBM	1.50	3.5	15	100	90	95	+5
120	110	Microsoft	0.00	0	20	120	110	115	+5
150	140	Oracle	0.00	0	15	150	140	145	+5
180	170	Sun	0.00	0	15	180	170	175	+5
200	190	HP	0.00	0	15	200	190	195	+5
250	240	Intel	0.00	0	15	250	240	245	+5
300	290	Motorola	0.00	0	15	300	290	295	+5
350	340	Rockwell	0.00	0	15	350	340	345	+5
400	390	Boeing	0.00	0	15	400	390	395	+5
450	440	Lockheed	0.00	0	15	450	440	445	+5
500	490	Northrop	0.00	0	15	500	490	495	+5
550	540	Raytheon	0.00	0	15	550	540	545	+5
600	590	General Dynamics	0.00	0	15	600	590	595	+5
650	640	Grumman	0.00	0	15	650	640	645	+5
700	690	Boeing	0.00	0	15	700	690	695	+5
750	740	Lockheed	0.00	0	15	750	740	745	+5
800	790	Northrop	0.00	0	15	800	790	795	+5
850	840	Raytheon	0.00	0	15	850	840	845	+5
900	890	General Dynamics	0.00	0	15	900	890	895	+5
950	940	Grumman	0.00	0	15	950	940	945	+5
1000	990	Boeing	0.00	0	15	1000	990	995	+5
1050	1040	Lockheed	0.00	0	15	1050	1040	1045	+5
1100	1090	Northrop	0.00	0	15	1100	1090	1095	+5
1150	1140	Raytheon	0.00	0	15	1150	1140	1145	+5
1200	1190	General Dynamics	0.00	0	15	1200	1190	1195	+5
1250	1240	Grumman	0.00	0	15	1250	1240	1245	+5
1300	1290	Boeing	0.00	0	15	1300	1290	1295	+5
1350	1340	Lockheed	0.00	0	15	1350	1340	1345	+5
1400	1390	Northrop	0.00	0	15	1400	1390	1395	+5
1450	1440	Raytheon	0.00	0	15	1450	1440	1445	+5
1500	1490	General Dynamics	0.00	0	15	1500	1490	1495	+5
1550	1540	Grumman	0.00	0	15	1550	1540	1545	+5
1600	1590	Boeing	0.00	0	15	1600	1590	1595	+5
1650	1640	Lockheed	0.00	0	15	1650	1640	1645	+5
1700	1690	Northrop	0.00	0	15	1700	1690	1695	+5
1750	1740	Raytheon	0.00	0	15	1750	1740	1745	+5
1800	1790	General Dynamics	0.00	0	15	1800	1790	1795	+5
1850	1840	Grumman	0.00	0	15	1850	1840	1845	+5
1900	1890	Boeing	0.00	0	15	1900	1890	1895	+5
1950	1940	Lockheed	0.00	0	15	1950	1940	1945	+5
2000	1990	Northrop	0.00	0	15	2000	1990	1995	+5
2050	2040	Raytheon	0.00	0	15	2050	2040	2045	+5
2100	2090	General Dynamics	0.00	0	15	2100	2090	2095	+5
2150	2140	Grumman	0.00	0	15	2150	2140	2145	+5
2200	2190	Boeing	0.00	0	15	2200	2190	2195	+5
2250	2240	Lockheed	0.00	0	15	2250	2240	2245	+5
2300	2290	Northrop	0.00	0	15	2300	2290	2295	+5
2350	2340	Raytheon	0.00	0	15	2350	2340	2345	+5
2400	2390	General Dynamics	0.00	0	15	2400	2390	2395	+5
2450	2440	Grumman	0.00	0	15	2450	2440	2445	+5
2500	2490	Boeing	0.00	0	15	2500	2490	2495	+5
2550	2540	Lockheed	0.00	0	15	2550	2540	2545	+5
2600	2590	Northrop	0.00	0	15	2600	2590	2595	+5
2650	2640	Raytheon	0.00	0	15	2650	2640	2645	+5
2700	2690	General Dynamics	0.00	0	15	2700	2690	2695	+5
2750	2740	Grumman	0.00	0	15	2750	2740	2745	+5
2800	2790	Boeing	0.00	0	15	2800	2790	2795	+5
2850	2840	Lockheed	0.00	0	15	2850	2840	2845	+5
2900	2890	Northrop	0.00	0	15	2900	2890	2895	+5
2950	2940	Raytheon	0.00	0	15	2950	2940	2945	+5
3000	2990	General Dynamics	0.00	0	15	3000	2990	2995	+5
3050	3040	Grumman	0.00	0	15	3050	3040	3045	+5
3100	3090	Boeing	0.00	0	15	3100	3090	3095	+5
3150	3140	Lockheed	0.00	0	15	3150	3140	3145	+5
3200	3190	Northrop	0.00	0	15	3200	3190	3195	+5
3250	3240	Raytheon	0.00	0	15	3250	3240	3245	+5
3300	3290	General Dynamics	0.00	0	15	3300	3290	3295	+5
3350	3340	Grumman	0.00	0	15	3350	3340	3345	+5
3400	3390	Boeing	0.00	0	15	3400	3390	3395	+5
3450	3440	Lockheed	0.00	0	15	3450	3440	3445	+5
3500	3490	Northrop	0.00	0	15	3500	3490	3495	+5
3550	3540	Raytheon	0.00	0	15	3550	3540	3545	+5
3600	3590	General Dynamics	0.00	0	15	3600	3590	3595	+5
3650	3640	Grumman	0.00	0	15	3650	3640	3645	+5
3700	3690	Boeing	0.00	0	15	3700	3690	3695	+5
3750	3740	Lockheed	0.00	0	15	3750	3740	3745	+5
3800	3790	Northrop	0.00	0	15	3800	3790	3795	+5
3850	3840	Raytheon	0.00	0	15	3850	3840	3845	+5
3900	3890	General Dynamics	0.00	0	15	3900	3890	3895	+5
3950	3940	Grumman	0.00	0	15	3950	3940	3945	+5
4000	3990	Boeing	0.00	0	15	4000	3990	3995	+5
4050	4040	Lockheed	0.00	0	15	4050	4040	4045	+5
4100	4090	Northrop	0.00	0	15	4100	4090	4095	+5
4150	4140	Raytheon	0.00	0	15	4150	4140	4145	+5
4200	4190	General Dynamics	0.00	0	15	4200	4190	4195	+5
4250	4240	Grumman	0.00	0	15	4250	4240	4245	+5
4300	4290	Boeing	0.00	0	15	4300	4290	4295	+5
4350	4340	Lockheed	0.00	0	15	4350	4340	4345	+5
4400	4390	Northrop	0.00	0	15	4400	4390	4395	+5
4450	4440	Raytheon	0.00	0	15	4450	4440	4445	+5
4500	4490	General Dynamics	0.00	0	15	4500	4490	4495	+5
4550	4540	Grumman	0.00	0	15	4550	4540	4545	+5
4600	4590	Boeing	0.00	0	15	4600	4590	4595	+5
4650	4640	Lockheed	0.00	0	15	4650	4640	4645	+5
4700	4690	Northrop	0.00	0	15	4700	4690	4695	+5
4750	4740	Raytheon	0.00	0	15	4750	4740	4745	+5
4800	4790	General Dynamics	0.00	0	15	4800	4790	4795	+5
4850	4840	Grumman	0.00	0	15	4850	4840	4845	+5
4900	4890	Boeing	0.00	0	15	4900	4890	4895	+5
4950	4940	Lockheed	0.00	0	15	4950	4940	4945	+5
5000	4990	Northrop	0.00	0	15	5000	4990	4995	+5
5050	5040	Raytheon	0.00	0	15	5050	5040	5045	+5
5100	5090	General Dynamics	0.00	0	15	5100	5090	5095	+5
5150	5140	Grumman	0.00	0	15	5150	5140	5145	+5
5200	5190	Boeing	0.00	0	15	5200	5190	5195	+5
5250	5240	Lockheed	0.00	0	15	5250	5240	5245	+5
5300	5290	Northrop	0.00	0	15	5300	5290	5295	+5
5350	5340	Raytheon	0.00	0	15	5350	5340	5345	+5
5400	5390	General Dynamics	0.00	0	15	5400	5390	5395	+5
5450	5440	Grumman	0.00	0	15	5450	5440	5445	+5
5500	5490	Boeing	0.00	0	15	5500	5490	5495	+5
5550	5540	Lockheed	0.00	0	15	5550	5540	5545	+5
5600	5590	Northrop	0.00	0	15	5600	5590	5595	+5
5650	5640	Raytheon	0.00	0	15	5650	5640	5645	+5
5700	5690	General Dynamics	0.00	0	15	5700	5690	5695	+5
5750	5740	Grumman	0.00	0	15	5750	5740	5745	+5
5800	5790	Boeing	0.00	0	15	5800	5790	5795	+5
5850	5840	Lockheed	0.00	0	15	5850	5840	5845	+5
5900	5890	Northrop	0.00	0	15	5900	5890	5895	+5
5950	5940	Raytheon	0.00	0	15	5950	5940	5945	+5
6000	5990	General Dynamics	0.00	0	15	6000	5990	5995	+5
6050	6040	Grumman	0.00	0	15	6050	6040	6045	+5
6100	6090	Boeing	0.00	0	15	6100	6090	6095	+5
6150	6140	Lockheed	0.00	0	15	6150	6140	6145	+5
6200	6190	Northrop	0.00	0	15	6200	6190	6195	+5
6250	6240	Raytheon	0.00	0	15	6250	6240	6245	+5
6300	6290	General Dynamics	0.00	0	15	6300	6290	6295	+5
6350	6340	Grumman	0.00	0	15	6350	6340	6345	+5
6400	6390	Boeing	0.00	0	15	6400	6390	6395	+5
6450	6440	Lockheed	0.00	0	15	6450	6440	6445	+5
6500	6490	Northrop	0.00	0	15	6500	6490	6495	+5
6550	6540	Raytheon	0.00	0	15	6550	6540	6545	+5
6600	6590	General Dynamics	0.00	0	15	6600	6590	6595	+5
6650	6640	Grumman	0.00	0	15	6650	6640	6645	+5
6700	6690	Boeing	0.00	0	15	6700	6690	6695	+5
6750	6740	Lockheed	0.00	0	15	6750	6740	6745	+5
6800	6790	Northrop	0.00	0	15	6800	6790	6795	+5
6850	6840	Raytheon	0.00	0	15	6850	6840	6845	+5
6900	6890	General Dynamics	0.00	0	15	6900	6890	6895	+5
6950	6940	Grumman	0.00	0	15	6950	6940	6945	+5
7000	6990	Boeing	0.00	0	15	7000	6990	6995	+5
7050	7040	Lockheed	0.00	0	15	7050	7040	7045	+5

Beijing Tells Banks: Watch Bottom Line

Reuters
BEIJING — China, tiring of the costs of bailing out state industry, will cut loans to unprofitable enterprises and turn its banks into commercial operations, a central bank official said Wednesday.

"One of the important aspects of financial reform in China is to establish state-owned commercial banks," Zhou Zhengqiang, deputy governor of the People's Bank of China, said in an interview. "This is the direction our reforms are heading in."

China's five main banks are little more than government cashiers who hand out subsidies dressed up as loans. Two-thirds of state enterprises are unprofitable, and without such loans they would collapse.

"Commercial banks in the future will not be responsible for lending to loss-making enterprises," Mr. Zhou said. He disclosed that the

Stocks Sag In China on Law's Delay

Bloomberg Business News
HONG KONG — Gloom descended over China's two bourses Wednesday on news that the country's first-ever securities law may not be ready until next year.

The disappointing announcement was compounded by continued questions about bonus-share issues and company results that have fallen below investor expectations in Shanghai, brokers said.

"Investors are going to spend this week adjusting to the bad news," said Richard Wong, a China analyst at Wardley Investment Services. "We'll see some more selective buying next week once investors have discounted all this."

Li Yining, head of a 14-member committee that has so far produced four drafts of a Chinese securities law, said that the anxiously awaited regulations would probably not go into effect until next year.

Investors had been hoping the law would be presented at the National People's Congress, China's parliament, currently meeting in Beijing, brokers said.

government was considering two strategies to shake up the banking sector, which is one of the biggest obstacles to any hopes Beijing has of creating a market economy.

One possibility was to set up new banks responsible exclusively for "policy loans" directed by the government to areas such as transportation infrastructure and developing new energy sources. The other was that Beijing could split this function within existing banks.

Either way, Mr. Zhou said, after this change, state banks would be thrust into the marketplace and would not be able to write unlimited checks to industry.

"We will not subsidize operational losses suffered by enterprises because of their low efficiency," he said. But Western economists warned that changing an entrenched system of subsidies, buttressed by officials at a local level who can pull rank on bank managers and demand fresh loans, would not occur overnight.

Last year, state banks ignored ceilings imposed by Beijing and doled out twice their lending quotas. Much of the money went to produce unsalable goods.

Bank loans have been targeted to increase at almost the same rate as last year, but Mr. Zhou insisted that the central bank would not allow the target to be breached.

Chips Down, but Share Up? How Japan Reached the Magic 20% Level

Bloomberg Business News
TOKYO — Something doesn't quite compute about recent market share figures showing foreign companies making huge inroads into Japan's \$21 billion semiconductor market.

On Saturday, Japan was spared a trade brawl with the United States when Washington reported that foreign-made semiconductor chips — primarily from the United States — had a 20.2 percent share of the Japanese market in the last quarter of 1992.

That marked a leap of more than four percentage points from 15.9 percent just the quarter before — a leap that came just before a headline that had been set by the U.S.-Japan Semiconductor Trade Agreement of 1991. The number surprised even the most successful foreign semiconductor makers in Japan.

"While our sales and share in the Japanese market have been slowly increasing, there has not been any dramatic jump as the government share figures suggest," said Miyuki Ochi, a spokeswoman for the American company Motorola Inc., the world's fifth-largest semiconductor maker.

Trade bureaucrats in Tokyo and Washington were quick to toast the news as a dramatic breakthrough. But it may not have been anything so dramatic.

For one thing, Japan's chip market shrank last year, so the foreign share was made larger without any increase in sales. In fact, sales by foreign semiconductor companies in Japan actually dropped 1 percent, to \$3.1 billion, according to Datquest Inc., a market research firm.

Another reason for the bludge in market share was pressure on Japanese electronics and computer companies from the Ministry of International Trade and Industry to buy more foreign chips, executives of both American-based and Japanese chip-makers in Tokyo said.

This all means the sudden market-share gain by foreigners could be short-lived. There are already signs that Japan's financial bureaucrats are backing away from the 20 percent target outlined in the U.S.-Japanese chip deal, which expires in 1996.

"The 20 percent share is a target to try to reach, not a commitment," the MITI minister, Yoshiro Mori, said at a news conference in Tokyo on Tuesday.

Had the foreign market share not reached 20 percent, the issue would have clouded Prime Minister Kiichi Miyazawa's talks with President Bill Clinton in Washington next month, and neither side would have welcomed that.

"There is a sense that the 20 percent share wasn't determined by market forces," a spokesman for the U.S. Embassy conceded. "But back in 1986, when the United States only had about 8 percent of the market, there was a sense that this figure wasn't determined by market forces either."

NEC Set to Launch Its 64-Megabit Chip

AFP-Exel News
TOKYO — NEC Corp. will sell its next-generation computer chip worldwide next month, offering a memory 16 times that of four-megabit semiconductors widely sold on the market, a company executive said Wednesday.

NEC said it would be the first company to sell the 64-megabit dynamic random-access memory chip.

Seoul Plans To Put Lid On Prices

Compiled by Our Staff From Dispatches
SEOUL — The government plans to control prices of 20 daily necessities, including private and public service fees, to help control inflation, Lee Kyung Shik, deputy premier and economic planning minister, said Wednesday.

Mr. Lee said the items affected would include staple foodstuffs and commodities, some fuel items, bus fares and electricity prices.

He said consumer prices had risen 2.7 percent by March 15 from the end of 1992, compared with a forecast rise of only 4 percent to 5 percent for the year.

Five economic organizations, led by the Korean Chamber of Commerce and Industry, announced that "joint efforts" would be made to freeze prices of all manufactured goods for one year in support of President Kim Young Sam's plan to boost the economy.

In the stock market, prices closed mixed in a continued correction of their recent rally, brokers said. Turnover remained light.

Several brokers said a one-percentage-point cut in South Korea's key interest rate that was announced Wednesday had already been factored into stock prices.

The composite index fell 0.29 of a point to 666.66, with an estimated 27.7 million shares traded.

But some said they had seen renewed buying interest in large-capitalization companies with heavy debt loads.

POSCO closed 100 won higher at 21,000 won (\$26.48) a share, while KEPCO was steady at 18,100.

Some movement also came from the president said he would focus on measures to boost growth. His remark was interpreted as meaning that measures that would be unpopular with investors may be delayed, brokers said.

Traders said stocks appeared likely to edge up further Thursday on increased liquidity, though volume was expected to remain thin. (AFP, Bloomberg, Knight-Ridder)

Investor's Asia			
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225	
7000	1700	6800	
6500	1600	6300	
6000	1500	5800	
5500	1400	5300	
5000	1300	4800	
4500	1200	4300	
4000	1100	3800	
3500	1000	3300	
3000	900	2800	
2500	800	2300	
2000	700	1800	
1500	600	1300	
1000	500	800	
500	400	300	
0	300	0	
1992	1992	1992	
O N D J F M A M J J A S O N D	O N D J F M A M J J A S O N D	O N D J F M A M J J A S O N D	
Exchange	Index	Wednesday	Prev. Close
Hong Kong	Hang Seng	6,219.18	6,117.95
Singapore	Straits Times	1,652.05	1,655.02
Sydney	All Ordinaries	1,663.10	1,658.50
Tokyo	Nikkei 225	18,458.89	18,491.82
Kuala Lumpur	Composite	Closed	634.42
Bangkok	SET	888.79	889.62
Seoul	Composite Stock	666.66	666.95
Taipei	Weighted Price	4,854.68	4,847.23
Manila	Composite	1,450.20	1,443.25
Jakarta	Stock Index	Closed	812.07
New Zealand	NZSE 40	1,563.26	1,557.87
Bombay	National Index	Closed	1,059.00

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- JHN Oil Operating Co., a Japanese consortium, will start production of crude oil in August at its Pearl River Basin concession off southern China, with a Chinese state oil company, the consortium said.
 - Japanese vehicle production in February, including mini vehicles, fell 1.2 percent from a year ago to 1,043,202 units, the fifth straight month of year-on-year decline, the Japan Automobile Manufacturers Association said.
 - Hitachi Construction Machinery Co. said it had agreed to form a venture to make and market construction equipment in the United States jointly with VME Co. of Belgium. Volvo AB and Clark Equipment Co. each hold a 50 percent stake in VME.
 - NHK, Japan's public broadcaster, said it and other investors would set up a company to procure, manage and lease two broadcasting satellites.
 - Japanese industrial investment in Europe has fallen in the last two years, according to the Japan External Trade Organization.
 - Louis Dreyfus Energy Asia Pacific Pte. said it had set up a joint venture with a Chinese company that will invest 35 million Singapore dollars (\$21 million) in a floating oil terminal off Shenzhen.
 - Haw Par Brothers International Ltd. posted an 18 percent rise in its group 1992 net profit to 20.4 million Singapore dollars.
 - New World Development Co. of Hong Kong said net profit rose 48 percent for the six months ended Dec. 31, 1992, largely on the back of rental income.
- Reuters, Bloomberg, AFP

RECOVERY: Signs Multiply That Japan's Recession Is Bottoming Out

(Continued from first finance page)
 economy may finally be reaching its low point, the two most closely watched measures of the money supply increased last week after several months of decline. Turnarounds in the money supply signify that banks are loosening their credit grip and customers are starting to borrow.

Further, auto sales rose in January and February on a seasonally adjusted basis, heralding a possible end to a disastrous two-year slide.

Still, those indicators hardly add up to a solid rebound, and more unpleasant developments surely lie ahead.

Japanese companies appear far from completing a much-needed trimming of excess labor supply and plant capacity. If a number of big companies follow the lead of Nissan Motor Co., which shocked the nation last month by closing a major auto factory, the economy could resume its downward spiral simply because of the effect on psychology.

"The one thing that could still go

wrong with the economy is what might happen to consumer sentiment," said James Vestal, chief economist at Barclays de Zoete Wedd Securities (Japan) Ltd. Consumption accounts for three-fifths of gross national product, so a fresh blow to confidence could abort a recovery.

Even optimists tend to believe the recovery will proceed very slowly, with growth of 3 percent starting only in the final quarter of 1993 or the first quarter of 1994. In any event, the government appears

determined to make sure the economy does not "double dip" into a new slump.

Government officials hope to unveil their stimulus plan before Prime Minister Kiichi Miyazawa visits Washington in April.

U.S. officials have pressed Japan to boost domestic demand. The sharp slowdown in spending by Japanese consumers and businesses over the past year has reduced Japan's appetite for foreign goods, threatening to dampen global growth.

HONG KONG: The Jardine Group Is Charting a Course for China Despite a Colonial Past That Mars Ties With Beijing

(Continued from first finance page)
 in the middle of the Sino-British dispute?

"Of course, Jardine would like more business in China, and they have a lot to offer, but it has been the slowest hong to reinvest in China. It has largely diversified into the west and Asia instead," said

Cathy Carney, an analyst with Pierson Securities.

The past is often cited to predict a cautious stance on direct and indirect exposure to China.

"They've spent the past four or five years diversifying away from Hong Kong and China," said Rob-Hammond, an analyst with Wardley James Capel who believes

Jardine is unlikely, or unable, to move too quickly into China.

Most large Hong Kong groups have outgrown the colony's small market and invested overseas.

None, however, has Jardine's peculiar, old-colonialist image problem.

"In 1984, when they shifted their domicile, it was very, very negative," said Mr. Hammond. "There would

have to still be a lot of old memories around in China." Jardine Matheson was the first Hong Kong company to shift to Bermuda.

Recent news that Mercedes Benz chose another partner, Hong Kong-based Lei Shing Hong Ltd., for a franchise in Shanghai and several northern provinces over Jardine International Motors, a

current partner in Hong Kong and southern China, heightened speculation that Beijing's ire would cost Jardine in missed opportunities.

Some observers say the group's recent move to boost its stake in Britain's Trafalgar House PLC; its expansion in restaurants and supermarkets in Australia; its investments in Singapore's Cycle & Car-

riage Ltd. and Cold Storage retail chain, all reinforce the notion that Jardine is oiling an escape hatch should Hong Kong's 1997 return to China go awry.

Others are more confident.

"There is the perception around that they are a hong on the way out, that they won't prosper under Chi-

na," said Archie Hart, head of Crosby Securities' Hong Kong research. "But people lose track of the group's long business history in China. Dairy Farm signed the joint venture there in 1980 and they have many businesses up and running there. If any foreign company is going to do well in China, why not Jardine eventually?"

NYSE

Wednesday's Closing
 Tables include nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Latest	Chg
120	110	IBM	4.00	3.6	15.0	120	110	115	+5
100	90	Microsoft	0.00	0.0	25.0	100	90	95	+5
80	70	Apple	0.00	0.0	20.0	80	70	75	+5
60	50	Oracle	0.00	0.0	15.0	60	50	55	+5
40	30	Novell	0.00	0.0	10.0	40	30	35	+5
20	10	Lotus	0.00	0.0	5.0	20	10	15	+5
10	5	Intuit	0.00	0.0	3.0	10	5	7	+2
5	2	Visa	0.00	0.0	1.5	5	2	3	+1
3	1	MasterCard	0.00	0.0	1.0	3	1	2	+1
2	1	Discover	0.00	0.0	0.5	2	1	1.5	+0.5
1	0.5	Bank of America	0.00	0.0	0.2	1	0.5	0.7	+0.2
0.5	0.2	Wells Fargo	0.00	0.0	0.1	0.5	0.2	0.3	+0.1
0.2	0.1	Citigroup	0.00	0.0	0.05	0.2	0.1	0.15	+0.05
0.1	0.05	JP Morgan Chase	0.00	0.0	0.02	0.1	0.05	0.07	+0.02
0.05	0.02	Bank One	0.00	0.0	0.01	0.05	0.02	0.03	+0.01
0.02	0.01	First Union	0.00	0.0	0.005	0.02	0.01	0.015	+0.005
0.01	0.005	Bank of New York	0.00	0.0	0.002	0.01	0.005	0.007	+0.002
0.005	0.002	Capital One	0.00	0.0	0.001	0.005	0.002	0.003	+0.001
0.002	0.001	BankAmerica	0.00	0.0	0.0005	0.002	0.001	0.0015	+0.0005
0.001	0.0005	Wells Fargo	0.00	0.0	0.0002	0.001	0.0005	0.0007	+0.0002
0.0005	0.0002	Citigroup	0.00	0.0	0.0001	0.0005	0.0002	0.0003	+0.0001
0.0002	0.0001	JP Morgan Chase	0.00	0.0	0.00005	0.0002	0.0001	0.00015	+0.00005
0.0001	0.00005	Bank One	0.00	0.0	0.00002	0.0001	0.00005	0.00007	+0.00002
0.00005	0.00002	First Union	0.00	0.0	0.00001	0.00005	0.00002	0.00003	+0.00001
0.00002	0.00001	Bank of New York	0.00	0.0	0.000005	0.00002	0.00001	0.000015	+0.000005
0.00001	0.000005	Capital One	0.00	0.0	0.000002	0.00001	0.000005	0.000007	+0.000002
0.000005	0.000002	BankAmerica	0.00	0.0	0.000001	0.000005	0.000002	0.000003	+0.000001
0.000002	0.000001	Wells Fargo	0.00	0.0	0.0000005	0.000002	0.000001	0.0000015	+0.0000005
0.000001	0.0000005	Citigroup	0.00	0.0	0.0000002	0.000001	0.0000005	0.0000007	+0.0000002
0.0000005	0.0000002	JP Morgan Chase	0.00	0.0	0.0000001	0.0000005	0.0000002	0.0000003	+0.0000001
0.0000002	0.0000001	Bank One	0.00	0.0	0.00000005	0.0000002	0.0000001	0.00000015	+0.00000005
0.0000001	0.00000005	First Union	0.00	0.0	0.00000002	0.0000001	0.00000005	0.00000007	+0.00000002
0.00000005	0.00000002	Bank of New York	0.00	0.0	0.00000001	0.00000005	0.00000002	0.00000003	+0.00000001
0.00000002	0.00000001	Capital One	0.00	0.0	0.000000005	0.00000002	0.00000001	0.000000015	+0.000000005
0.00000001	0.000000005	BankAmerica	0.00	0.0	0.000000002	0.00000001	0.000000005	0.000000007	+0.000000002
0.000000005	0.000000002	Wells Fargo	0.00	0.0	0.000000001	0.000000005	0.000000002	0.000000003	+0.000000001
0.000000002	0.000000001	Citigroup	0.00	0.0	0.0000000005	0.000000002	0.000000001	0.0000000015	+0.0000000005
0.000000001	0.0000000005	JP Morgan Chase	0.00	0.0	0.0000000002	0.000000001	0.0000000005	0.0000000007	+0.0000000002
0.0000000005	0.0000000002	Bank One	0.00	0.0	0.0000000001	0.0000000005	0.0000000002	0.0000000003	+0.0000000001
0.0000000002	0.0000000001	First Union	0.00	0.0	0.00000000005	0.0000000002	0.0000000001	0.00000000015	+0.00000000005
0.0000000001	0.00000000005	Bank of New York	0.00	0.0	0.00000000002	0.0000000001	0.00000000005	0.00000000007	+0.00000000002
0.00000000005	0.00000000002	Capital One	0.00	0.0	0.00000000001	0.00000000005	0.00000000002	0.00000000003	+0.00000000001
0.00000000002	0.00000000001	BankAmerica	0.00	0.0	0.000000000005	0.00000000002	0.00000000001	0.000000000015	+0.000000000005
0.00000000001	0.000000000005	Wells Fargo	0.00	0.0	0.000000000002	0.00000000001	0.000000000005	0.000000000007	+0.000000000002
0.000000000005	0.000000000002	Citigroup	0.00	0.0	0.000000000001	0.000000000005	0.000000000002	0.000000000003	+0.000000000001
0.000000000002	0.000000000001	JP Morgan Chase	0.00	0.0	0.0000000000005	0.000000000002	0.000000000001	0.0000000000015	+0.0000000000005
0.000000000001	0.0000000000005	Bank One	0.00	0.0	0.0000000000002	0.000000000001	0.0000000000005	0.0000000000007	+0.0000000000002
0.0000000000005	0.0000000000002	First Union	0.00	0.0	0.0000000000001	0.0000000000005	0.0000000000002	0.0000000000003	+0.0000000000001
0.0000000000002	0.0000000000001	Bank of New York	0.00	0.0	0.00000000000005	0.0000000000002	0.0000000000001	0.00000000000015	+0.00000000000005
0.0000000000001	0.00000000000005	Capital One	0.00	0.0	0.00000000000002	0.0000000000001	0.00000000000005	0.00000000000007	+0.00000000000002
0.00000000000005	0.00000000000002	BankAmerica	0.00	0.0	0.00000000000001	0.00000000000005	0.00000000000002	0.00000000000003	+0.00000000000001
0.00000000000002	0.00000000000001	Wells Fargo	0.00	0.0	0.000000000000005	0.00000000000002	0.00000000000001	0.000000000000015	+0.000000000000005
0.00000000000001	0.000000000000005	Cit							

WATER: English Company Finds a World-Wide Market for Its Skills

(Continued from first finance page)

international bidders — two French companies and two other British ones — willing to take on the work.

"Some of the entities coming up for privatization serve cities with populations as big or bigger than the entire 7 million population of the North West," said Andrew Glasgow, the former GEC-Marconi executive who now heads North West Water's international arm.

One of the problems North West faces is persuading its own people of the merits of international travel. Robert Boland, a managing director of the company, says many on his staff of 500 engineers have never before left northwest England, "and suddenly we are asking

them to go spend six months in Mexico City."

The lure of huge foreign contracts makes the effort all but mandatory. Mr. Thian insists that the most risky course for the water industry would be "doing nothing." Those who fail to diversify, he predicts, "will be nailed to the floor by the regulators."

While some of the 10 other privatized British water companies have diversified by making polylog purchases of anything from hotels to solid-waste companies, North West has stuck to the water and waste-water business. Its big risk is that in so doing, it has cast its net much farther from home than many of its rivals.

On the international stage, it has come face to face with the

entrenched forces in a highly atomized business, the French companies Lyonnaise des Eaux and Compagnie Générale des Eaux. Outside of France and, more recently, Britain, the water business remains the province of relatively small public utilities.

"We felt it was time to end the French duopoly," said Mr. Thian, who is credited with being the first British water executive to see the potential of overseas operations.

Critics of the strategy wonder whether North West is up to the task. "It will certainly test the strength and breadth of their management," said Graeme Moyse, an analyst with Kleinwort Benson. Having inherited the most dilapidated water and sewer system in Britain — until two years ago, Liv-

erpool had no sewage-treatment plants whatsoever — North West is midway through a £5 billion upgrade of its system, the largest such program in Britain.

The bulk of North West's earnings now and for the foreseeable future will flow from providing water and sewer service to the likes of Liverpool and Manchester. Even at home, though, Mr. Thian's ambitions tower over the flat Cheshire landscape like a missile on its launch pad. A new, few-expenses-spared training, lab and conference complex is rising near the company's headquarters. North West employees have been asked to submit recommendations for names for the new buildings. One London-based analyst has his own suggestion: "Thian's Ego."

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close	PE	Div	Yield
AA	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABB	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABC	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABD	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABE	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABF	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABG	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABH	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABI	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABJ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABK	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABL	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABM	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABN	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABO	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABP	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABQ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABR	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABS	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABT	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABU	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABV	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABW	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABX	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABY	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABZ	10.00	9.75	9.80	9.90	10.00	0.00	0.00

AMEX

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	PE	Div	Yield
AA	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABB	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABC	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABD	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABE	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABF	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABG	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABH	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABI	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABJ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABK	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABL	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABM	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABN	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABO	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABP	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABQ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABR	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABS	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABT	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABU	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABV	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABW	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABX	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABY	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABZ	10.00	9.75	9.80	9.90	10.00	0.00	0.00

Symbol	High	Low	Open	Close	PE	Div	Yield
AA	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABB	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABC	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABD	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABE	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABF	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABG	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABH	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABI	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABJ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABK	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABL	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABM	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABN	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABO	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABP	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABQ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABR	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABS	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABT	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABU	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABV	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABW	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABX	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABY	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABZ	10.00	9.75	9.80	9.90	10.00	0.00	0.00

Symbol	High	Low	Open	Close	PE	Div	Yield
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ABB	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABC	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABD	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABE	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABF	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABG	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABH	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABI	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABJ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABK	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABL	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABM	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABN	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABO	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABP	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABQ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABR	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABS	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABT	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABU	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABV	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABW	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABX	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABY	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABZ	10.00	9.75	9.80	9.90	10.00	0.00	0.00

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ABB	10.00	9.75	9.80	9.90	10.00	0.00	0.00
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ABD	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABE	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABF	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABG	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABH	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABI	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABJ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABK	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABL	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABM	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABN	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABO	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABP	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABQ	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABR	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABS	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABT	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABU	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABV	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABW	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABX	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABY	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABZ	10.00	9.75	9.80	9.90	10.00	0.00	0.00

Symbol	High	Low	Open	Close	PE	Div	Yield
AA	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABB	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABC	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABD	10.00	9.75	9.80	9.90	10.00	0.00	0.00
ABE	10.00	9.75	9.80	9.90</			

ADVERTISING SECTION

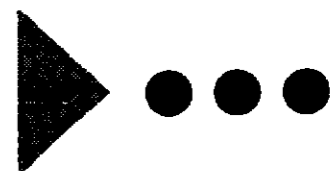
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HIGH

TECHNOLOGY

A Guide to the 21st Century



New Technologies For Better Lives, Higher Profits

Throughout the 20th century, technology has been regarded as the path toward making the world a better place. Kidney dialysis, video cameras, satellite communications — the list of technological advances that affect us every day could go on and on.

Technology has helped many people live longer, healthier, happier, more productive lives. In recent years, however, technology has taken on added importance. Rather than simply a means of improving society, it is seen more specifically as an economic tool. It is estimated that new technology is responsible for two-thirds of the increase in living standards around the world over the past 50 years, and no one seems to be saying that technology will play a lesser role in the first half of the 21st century.

Yes, producing a better cordless telephone can lead to easier, cheaper communications — a laudable goal in and of itself. But today's government and corporate leaders are betting that such technological advances can also mean more business, increased commerce, wider trade, new jobs and, ultimately, a higher quality of life.

A key example is the Clinton administration's policy paper, "Technology for America's Economic Growth," which shifts the U.S. focus on technology from maintaining a security edge during the Cold War to seeding long-range economic growth in a world of open competition and free trade. One of the cornerstones is Vice President Al Gore's call for a national fiber-optic network of "information superhighways" that would boost productivity by linking businesses, public and private institutions, government agencies, schools and homes.

The ripple effects of new technology have become global for countries, companies and consumers. We look to technology to feed, clothe, clean and cure, and to make the world a safer place for us all. The following takes a look at several general areas where technology is moving fast, focusing on specific innovations and advances.

BIOTECHNOLOGY

You don't have to be a rocket scientist — or even a biogeneticist — to know that tomatoes today often don't taste as good as they did in the good old days three or four decades ago. Growers say it is an economic fact of life, due to the change from local farming and sales to mass-market production and distribution. Many of today's producers know that if they leave their tomatoes on the vine until they are perfectly ripe for picking and eating, then there's a good chance the tomatoes will be bruised or rotten by the time they get to the shelf. But if tomatoes are picked while still green and forced to ripen in transit off the vine, they reach the shelves hard and round but relatively tasteless. It is no wonder that an estimated 80 percent of tomatoes are picked green and that so many of us complain that tomatoes just are not what they used to be.

Calgene, a company based in Davis, Calif., is hoping to use biotechnology to genetically engineer a modern tomato that looks good and tastes good, too. The decade-long project, which has cost \$20 million so far, may sow the seeds for a revolution in agriculture. Companies such as ICI, Dupont and Monsanto are watching Calgene's experiment with its so-called "Flavr-Savr" tomatoes carefully; if it is successful, there is bound to be big interest and investment in other biogenetic programs to deliver tasty fresh produce even out of season.

More than 100 crops, such as cereals that can withstand drought and cotton that is immune to weevils, reportedly are undergoing field tests in America and Europe. Zeneca, the biotechnology arm of the newly reorganized ICI, is competing with Calgene to produce the perfect tomato, but is also working on applying the same genetic-engineering principles to soft fruit, such as melons, peaches, plums and berries, along with vegetables such as cucumber and squash. Obviously, the less of this food that is lost to spoilage, the more people it will feed at lower costs.

Genetic engineering is, in effect, tinkering with nature through manipulation of recombinant DNA, the so-called building blocks of life. Scientists have found that by transplanting genes from one organism to another, the second organism sometimes can take on, and flourish with, the characteristics from the transplanted gene.

The principal advantage over traditional plant breeding is that it can be done so quickly. Instead of splicing two related plants together and waiting to see how it grows and how its seeds grow, biogeneticists can develop new varieties in weeks, with much more accurate assessments of a plant's long-range capabilities. And plants do not need to be as closely related as in traditional splicing; a pest-resistant gene from an unrelated strain can easily be introduced to the existing genes in another strain.

In the end, unlike so many other aspects of science, it will be everyday shoppers — and their tastebuds — that decide what works and what does not work in the world of biotechnology.

NEW MATERIALS AND COMPOSITES

Advanced materials seems a subject beyond the ken of most people. After all, it is the stuff of science fiction — paint that makes giant bombers "invisible" to radar, ceramics that are stronger and withstand heat better than any metal, ultra-light fibers that can contract like muscles and literally act as a second skin for astronauts, and composites that move bits of information and electronic impulses at speeds much faster than old-fashioned silicon.

In truth, new materials have had a remarkable impact on everyday life in recent years. Fillings for teeth are lighter, stronger and — most amazing of all — pearly-

tooth white instead of gunmetal gray. Similarly, advances in artificial joints have brought mobility and added years of productive life to millions.

In sports alone, the progress is amazing. In tennis, new composites mean that aging hackers can buy a new racket and beat their children for a couple of more years. And that Jennifer Capriati probably will not suffer the physical toll that cut short the careers of earlier teen prodigies who blew out their elbows and shoulders playing with wood or metal rackets. In golf, graphite composites mean that Jack Nicklaus, and the rest of us, can keep hitting the ball as long — or short — as we did as youngsters.

But the advanced materials industry is not what it once was, and it certainly is not what many thought it would be only a few years ago. After a flurry of investment by

major companies on both sides of the Atlantic in the late 1980s, many have cut back their efforts. For ICI, it was a combination of the global recession and the realization that the anticipated mass markets simply were not there for many advanced materials.

One aspect of the industry that is growing, however, involves new applications of old materials, or rather old materials that have become advanced because they are in a new form. At universities and private laboratories in both North America and Europe, scientists are experimenting with new types of diamond coatings. Still the hardest substance known to man, diamond coatings could prolong the life and uses of a wide variety of drills, cogs, pistons, cams, ceramics, turbine blades and other hard components that get heavy wear. Typically, dia-

mond coatings are created by heating hydrogen and methane so that carbon is released; if the temperature is maintained at 800 degrees Centigrade, the form of carbon released is a diamond film.

The scientists, who say it takes all day to produce only a few microns (half of one-thousandth of a millimeter) of diamond coating, say the process could ultimately lead to diamond films combining with impurities such as boron to produce even faster computer chips.

MEDICAL EQUIPMENT AND PROCEDURES

Much of science has always been aimed at shedding

Continued on Page 17

Your customer is overflowing with information.

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Investors' Best Bet: Flourishing 'Intelligent' Services

That cutting-edge technologies are needed to make manufacturing sectors competitive became widely recognized in the past decade. As the 21st century approaches, it has become clear that providing services which apply these technologies to reduce costs and to increase output is more likely to produce profits than simply manufacturing high-technology products would.

Called "intelligent," "integrated" or "high-tech" services, they are provided by small, newly founded companies or by subsidiaries of major manufacturers and operators of national infrastructure systems.

The computer industry is one example. The last three years have not been kind to the world's computer systems manufacturers. Even the

The secondary electricity market is profitable

few, scattered success stories — Dell, Compaq, Apple, ASI — have been faced with drastically falling unit prices and profit margins. "It is getting impossible to stay afloat selling computers and their accessories; an applied software or services component has become necessary for corporate survival," says VDI Nachrichten, the authoritative German trade weekly, commenting on the ongoing drop of 20 percent a month in retail prices for PCs in Europe during the past few months.

For the growing ranks of companies that design and manufacture computers and their various components on a contract basis, the last three years have been very good. Already generating a hefty \$39 billion in 1990 in the information-technology sector alone, electronic design and manufacturing services have been increasing in value by 6 percent per year. In the information technology sector, annual earnings of \$81 billion in contract fees are expected by 1996. More importantly, work done by these low-capital-investment, highly flexible service providers routinely generates operating margins of between 20 percent and 40 percent.

This shift in growth and profitability from manufacturing high-tech products to providing "intelligent," high-tech services cuts across technological sectors and national borders. Layoffs and red ink are endemic in the automotive manufacturing sector, but "rapid prototyping," "component quality

assessment," "factory floor logistics management" and other automotive manufacturing services aimed at salvaging the industry are flourishing in what is now a \$3 billion segment. Even in the generally profitable telecommunications equipment sector, the companies that design and manufacture individual products and systems for other producers represent the strongest and most profitable telecom activity, forecast to generate \$38 billion in 1993.

If services assisting manufacturers are thriving, services derived from infrastructure systems are positively booming. Operating a national telecommunications system is still a highly lucrative affair, as the top positions of AT&T, BT, France Telecom and DBP Telekom in their respective countries' profitability tables show.

However, these companies are now being pressed by dozens of newly founded, mostly small companies that use sophisticated message-encoding technologies to bundle hundreds or thousands of individual data, voice and fax transmissions into a single "gateway" connection. Other companies use such cutting-edge processes as satellite up-links to route truck and tanker fleets for freight forwarders while monitoring warehouses for suppliers. In doing so, these companies can avail themselves of "storage facility systems" developed by major European distributors for proprietary and third-party use.

Striking back, traditional communications systems operators such as France Telecom have entered the services contracting sector. Newly founded corporate services subsidiaries design, install and equip in-house communication systems for individual companies and even (as in the recent case of the Ukraine) entire nations. Working with leading computer-hardware producers, these operators have also set up electronic payment services (like the IBM/Telecom venture "Telecash") for the retail sector, as well as financial information and transaction networks

for the international banking community.

"Integrated services" are provided by the operators of Europe's largest systems — its regional and national power grids. Such power giants as Germany's RWE now routinely map energy-use schemes for their corporate customers on a fee basis. Similar activities are also performed in the water supply sector by France's Lyonnaise des Eaux Dumez and Compagnie Générale des Eaux, and by Great Britain's privatized water-supply authorities.

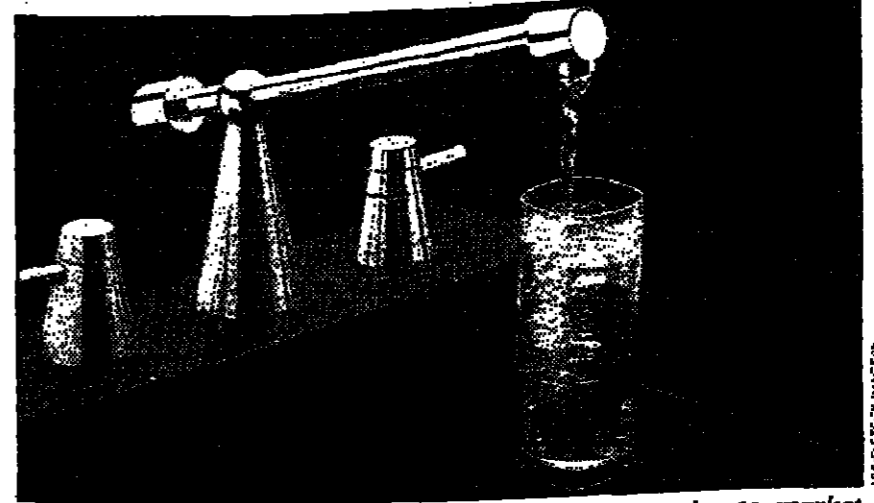
As in the telecommunications sector, private service suppliers are rushing into the "secondary electricity market." One example is a "power license" granted to billionaire commodity trader Marc Rich for the sale of electricity to very large industrial clients in England and Wales, the 45th license of its kind in Britain. By using computer-aided, off-peak wholesale power buying techniques, Mr. Rich reportedly plans to undercut current standard rates.

Profit-hungry business service companies and banks are also increasingly spinning off their expensive, proprietary expert systems and data-base capacities into what are known as "soft" or "management" services. Instead of setting up and

maintaining their own tax, invoicing and personnel systems, customers can charge such accounting giants as Deloitte & Touche with the task.

Behind each "intelligent service" is the urge to reduce costs, whether in capital, personnel, storage space or time. The striving for greater efficiency has even reached that last bastion of inefficiency and bureaucracy: city hall and its various municipal offices. A number of European communities — many of them located in Eastern Germany — now offer their residents "one-stop service" wherein a municipal staff member uses his or her PC (linked into a city office-wide network) to handle everything from receiving building permits to protesting parking tickets. These "digitalized administrative" or "governmental" services, as they are called, are now being offered by Siemens-Nixdorf, NCR and Integrata, among other companies.

The wish to reduce costs — both the immediate ones accruing from pollutant cleanups and the long-term ones arising from lasting damage to the environment — is also behind what are rather nebulously termed "environmental services." Some \$110 billion was spent in Europe last year on cleaning up the continent's



The thirst for profit has led many high-tech companies to market "intelligent" services — such as water management.

air and water and disposing of its wastes — a figure that is expected to double by 2000. While the standard capital and systems operating components of this figure remain large — an example would be sewage-treatment facilities built and operated by public-sector authorities — the portion of third-party general and subcontracting work in this field is growing fast.

Among the young and aggressive companies flocking to the field in Europe is BC Bioclean, headquartered in the German state of Lower Saxony, which has recorded a sevenfold jump in turnover during its first

five years of operation. Its "service" is a complete water protection system using biological indicators to monitor and control water purity.

An indication of the overall size and diversity of the environmental services market is given by a catalogue recently published by Metallgesellschaft, a Frankfurt-based leader in the sector. It lists 71 individual service areas, ranging from the recycling and disposal of munitions and the installation of exhaust scrubbers to the reclaiming of lead from industrial wastes and the planning of potable water facilities.

Terry Swartzberg

The New-Old Look in High-Technology Centers

Former industrial and military sites are increasingly serving as the "seedling beds" for young, high-tech companies.

Enterprising business development authorities are employing old sites in new ways to satisfy the pressing economic needs and demands of high-tech industry in the 1990s and beyond.

This practice has been termed "real-estate recycling" by LEG (Lan-

Recycling sites saves time as well as money

desentwicklungsgesellschaft Nord-Rhein Westfalen mbH), one of the leaders in the field. Working for the German state of North-Rhine Westphalia (its principal shareholder) and its communities, LEG has recycled coal mines, textile factories and military barracks into centers for applied production technologies and organization, for ecological planning and construction, and for the manufacturing of advanced textiles.

The formula used by LEG and such other successful "brownfield developers" as Agence de Développement Lille and the Scottish Development Agency is based on a simple business procedure: remove those elements detracting from the site's attractiveness, capitalize on its existing amenities (a waterside location, large-scale expanse of space, the presence of historic buildings) and add whatever else is needed to attract high-tech companies to the development.

Excluded by their limited rental or purchasing power from standard real-estate markets, young companies flock to the recycled sites. There are currently 114 so-called "innovation centers" hosting 2,250 companies in Germany alone. The largest, with 100 companies, is the Köpenick neighborhood in East Berlin.

In Central and Eastern Europe, the prime source of sites to be recy-

cling is military facilities. Russia and Ukraine have recently formulated sweeping development plans for such facilities — Ukraine's involve a detailed program of incentives and 1,000 sites — and newly founded companies in Slovakia and the Czech Republic are currently engaged in a form of "do-it-yourself" development, whereby manufacturers undertaking contract work for West European capital goods, automotive, sports and computer companies have set up shop on the sprawling grounds of Martin Trust, located in northern Slovakia, which was the largest non-Soviet defense industry complex in the former East bloc.

Logically enough, elsewhere in Europe, it is the areas with the longest industrial traditions, such as Scotland, which have pioneered the use of "brownfield" sites for technology parks. The success of the Glasgow East End Park, launched in 1985 by the Scottish Development Agency, has led the agency to set up "enterprise zones" in other industrial areas, such as the Ravenscraig steel plant.

"For the last decade, the founding of technology and new business parks has been one of the most popular tools of local and regional development plans," states Rolf Sternberg, technology expert. The spread of these parks has now taken place in all of Western Europe (especially Britain, France, the Netherlands, Germany and Spain) and, increasingly, Eastern Europe.

One incalculable advantage in an age of ever-stricter zoning regulations and ever-longer approval processes: industrial and commercial use is already authorized for these sites. "And that's something that is getting harder and harder to find in Europe these days," says Lothar Späth, Mr. Späth, a main architect of the German state of Baden-Württemberg's rise to technological prominence, is now chairman of Jenoptik, located in Jena, Thuringia. Mr. Späth and his coworkers have facilitated the founding of dozens of new, high-tech companies in the sprawling facilities of the former Carl Zeiss Jena Kombinat (vertically integrated holding company).

T.S.

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New Technologies for Better Lives, Higher Profits

Continued from Page 15

light on human illness and disease. That has never been more true than it is today, and literally so in the case of new photodynamic therapy that relies on lasers and other forms of light-based treatment. A Canadian company, Quadra Logic Technologies, is teaming up with American Cyanamid, the U.S. chemical giant, in developing light-based cancer therapy. The treatment relies on a new drug, Photofrin, that is administered to patients and collects in tumors and other cancerous tissue. Low-power laser illuminations combine with the drug to create "free radical" oxygen that kills the cancerous cells without harming the surrounding healthy tissue.

Quadra Logic and American Cyanamid's plans for eventually marketing the treatment worldwide has spurred other companies to develop their own light-based therapies, including Ciba-Geigy of Switzerland and Scotia Pharmaceuticals of Britain. Doctors say the big advantage of light-based therapy is that it wipes out all the cancer. Surgery, on the other hand, typically leaves behind microscopic bits of cancer that can begin growing again and mean more costly treatment for the patient in future years. The disadvantage is the high cost of using lasers, but new laser technology — such as the solid-state diode laser that McDonnell Douglas is working on — could bring costs down sharply. And doctors at the Royal London Hospital believe that the therapy ultimately may evolve so that it works with intense non-laser light sources. Someday, they hope, the technique could be used for conditions as varied as psoriasis and AIDS.

ROBOTICS

Robots long have been seen as the ultimate in convenience for humans. The days when a pleasant mechanical maid cleans our houses still appear to be well in the future, but robots increasingly go where no human dares to go — into intense heat, bitter cold, disease or radiation contamination, outer space and the ocean floor. Around the world, oceanographers are building deep-sea robots that will not only search for wrecks and bring back treasure, but also collect data from what has been called the planet's last, largest and most mysterious frontier. Robots will assemble biologic, geologic and chemical information that can monitor the health of the planet: predicting earthquakes and volcanic eruptions, policing contamination and even helping to forecast the weather. It is very likely that an undersea robot will sound the first alarm if and when radiation begins to leak from the estimated 75 nuclear warheads lost or dumped on the ocean floor. Robotics technology will probably have even more impact on work that humans can do but don't want to do — at least not for the lower costs that robots make possible, particularly on assembly lines. But modern engineering has moved far beyond the novelty of machines with

simple "arms" doing repetitive factory work. Many robotics systems now have "brains" too, thanks to computers and artificial intelligence. An example is the robots that wash railway platforms; their computer controls rely on information from sensors and ultrasonic sensors, and they hum up and down the platforms without falling onto the tracks, crashing into columns or knocking over waiting passengers.

An example of the new ways of melding computers and robotics is "drop-let-based manufacturing," which promises to have great impact on the production of metals, pharmaceuticals, ceramics and other substances. Developed at the Massachusetts Institute of Technology with funding help from various U.S. companies in various industrial sectors, it is a computer-driven system for creating droplets of identical size and shape.

This uniformity allows manufacturers a low-cost means of achieving the properties they need — strength, flexibility, resistance to heat, etc. — through control of the microstructure of materials. By using computer robotics to create microscopic droplets of liquid steel, for example, metal manufacturers get a higher-quality product. Instead of being forced to repeat the manufacturing process several times when the droplets are too different, manufacturers can now be assured of even, uniform galvanizing on the first attempt. Similarly, uniform droplets are important in the drug industry, where oral medicines with a time-release feature must be made of granules of the same size to make sure the medicine activates on schedule.

MIT is now refining the process to regulate not only the size of droplets, but how and where they are deposited in the manufacturing process. Computer-controlled patterns put onto a computer disk often too small to be seen without a microscope, could be used to direct robotic equipment to do design work. The professors working on this project believe it may someday allow manufacturers of, say, electrical circuit boards, to switch the production process from one design to another at a keystroke.

SILICON CHIPS

Smaller, faster, cheaper — there is no secret about what makes new chips "hot" in the semiconductor industry. It is also no secret that the biggest silicon advance of the 1980s, and perhaps the biggest prospective growth market for the 1990s, is "flash memory." Flash memory chips, unlike RAM (random access memory) chips, retain the data stored on them when a computer's power is turned off. Because the data is stored on the chips rather than dumped into disk-drive storage, a system using flash memory is much faster — delivering read-write times in nano-

seconds rather than the current milliseconds.

In a reversal of the common trend in recent decades, flash memory was developed by a Japanese company, Toshiba, but was improved by an American company, Intel, with new design and fabrication methods. Intel controls about 85 percent of the \$100 million annual flash-memory market that has been quadrupling annually and should top \$1 billion by 1995.

Intel, which is introducing a "flash card" of chips that is half the size of a credit card but has the power of a typical PC hard-disk drive weighing two pounds, believes flash memory eventually will be used in cameras, fax machines and electronic pocket diaries.

In general terms, the semiconductor industry has been heartened by reassurances from the Clinton administration that it will continue funding for Sematech, the research consortium that for the past five years has received half its funding from individual companies and the other half from the Pentagon's Defense Advanced Research Projects Agency.

The White House is also prepared to take a hard line against Japan — maybe to the point of trade sanctions — for alleged bias against U.S. chip manufacturers, who claim that Japanese trade protectionism is keeping them out of the lucrative Japanese market.

TELECOM

Telecommunications is where different technologies seem, at least to the consuming public, to be coming together the fastest. It is certainly one of the biggest and fastest-growing world markets. The International Chamber of Commerce said in a recent position paper: "Rapid technological innovation in switching, transmission and related computer processing functions make a growing variety of services and facilities possible, and at a declining real cost, just as global trends in international commerce are creating a huge, almost insatiable demand for communications services. The push of technological change combined with the pull of market demand are exerting tremendous pressures on decision makers to reassess the traditional structures and rules for delivery of telecommunications services."

Some of the keenest worldwide competition is in the field of mobile telecommunications. In Europe, for example, the marketing battle lines are being drawn for so-called personal communicators. Olivetti recently bought a stake in Eo Inc. of Mountain View, Calif. in order to start marketing the firm's personal communicators — small, hand-held devices — in Europe this summer.

By that time, Apple Computer Inc. also hopes to be in the European market with its version of the

personal communicator, which aims to be smaller than today's "notebook" computers and friendlier to use, with easy communications via telephone or cellular connections. Olivetti believes the potential market is 40 million users in Europe for the new product, which would put them in the mass-market league of products such as cellular phones and fax machines.

Satellite networks for mobile phones are seen as another huge potential market in Europe, and several systems — some offered by individual companies, others by consortia — have been announced.

Motorola is going it alone on an ambitious scale. Its subsidiary Iridium is spending \$3.2 billion on a 77-satellite network that would allow customers to use pocket-sized cordless telephones to make and receive calls anywhere on the face of the globe. The planned 48-satellite Globalstar network, on the other hand, is being spearheaded by an American competitor, Loral Corp., with design, development and production backing from both U.S. and European allies, including Aerospaziale, Alcatel and Alenia.

Satellite networks, used for voice, messaging and tracking, are sure to make it easier to locate and communicate with remote Third World villages, ships at sea and relief workers at disaster scenes. What remains to be seen is what roadblocks governments will throw in the path of the satellite phone systems, whether customers are willing to pay for the expected higher operating costs of such networks and how many of the proposed systems can survive the stiff competition.

In mass communications, new digital technology (more versatile) the new

ogy and HDTV (High-Definition Television) promise to revolutionize the way we receive news and entertainment at home. Along the way, new products, from television sets that offer extraordinarily sharp images to the new higher-tech models of VCRs and camcorders (lighter, more powerful, more versatile) the new TVs will require, promise to do much to maintain employment at the electronics factories producing them.

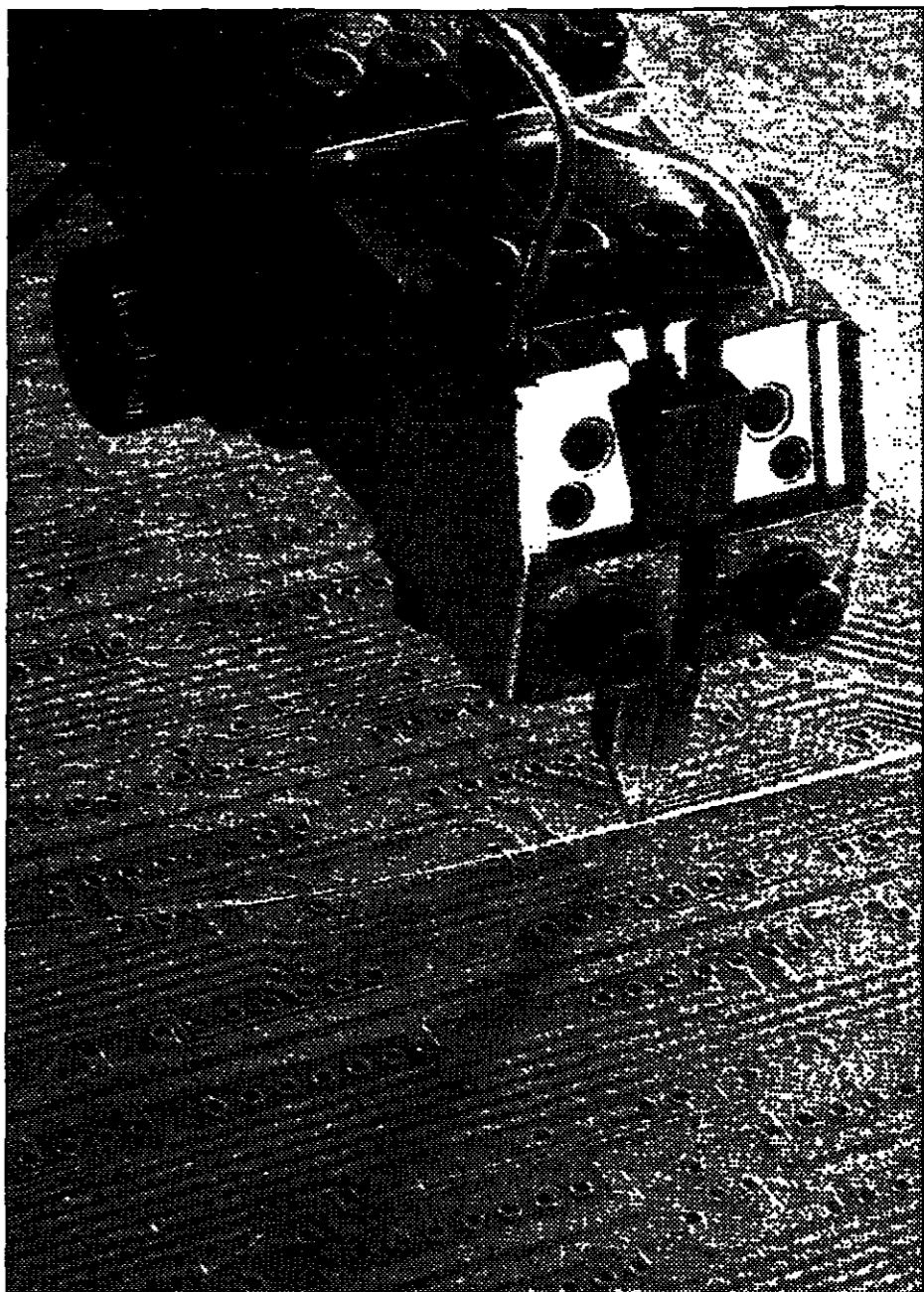
COMPUTERS

But can they think? Will they ever be able to? Well, some computers, with the right kind of software, can think now. Sort of.

One of the prime examples is a computer system based on "neural" software, so named for the information-processing "neurons" that are layered in such a way as to receive information both from outside and from other neurons to recognize, evaluate or recommend in much the same way that the human brain gathers and assesses information.

A small British firm, Neural Technologies, believes such systems will soon be used for a variety of practical purposes: handwriting and face recognition; sales and stock-market analysis, credit checks, trend detection, fault analysis, industrial efficiency and data evaluation for marketing programs.

Since data can be gathered and evaluated in much the same manner as any of the five human senses, neural computer systems can tell when truck wheels are out of balance and know when a building is getting too hot and order the air conditioning turned on. A wine-tasting program is being developed, and a credit-



A welded circuit: en route to the 21st century.

card company wants one that will ring alarm bells — and trigger a check to make sure the card has not been stolen — when a customer's charging patterns suddenly change.

One device that some big technology companies are counting on for big sales is the new pocket-sized "personal communicators" that are part telephone, part electronic organizer, part PC and part fax machine — all in a

hand-held device that can let you talk to anyone, anywhere and see him or her live and in color via a good sharp picture on your little screen.

In the workplace computing market, the hot players — some would call them the emerging giants — in the computer world are two American companies that have grown fast: Intel and Microsoft. Intel's microprocessors and Microsoft's operating sys-

tems and software have gained dominance with the rise of the PC, and now the two companies are working together to promote new industry standards for the workstations of the future, which will include computer, word processor, phone, fax, messaging system and an interactive TV that allows on-screen transmission of moving pictures from desk to desk.

Timothy Harper



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SPORTS BASEBALL

Tragedy on a Little Lake

Indians' Pitchers Sought Refuge, Found Death

By Claire Smith
New York Times Service

By Florida standards, Little Lake Nellie is indeed little, not quite what Floridians call a dollar lake—the larger, perfectly formed circular pools of fresh water resting in limestone pits all over the sun-baked state. Little Lake Nellie is not little enough to be called a weather pond, dwarfing the tiny marshes that swell only when the skies empty.

Little Lake Nellie is a small, naturally formed lake, a place that attracts the reclusive and sometimes exclusive crowds from the tonier coastal areas to the midlands, the lake lands of Florida. A place where someone forced to deal constantly with the roaring crowds might seek refuge. Which is what Tim Crews, major league pitcher, obviously sought when he purchased a ranch, complete with stables, corals and horses two months ago.

The ranch, including a stately home, overlooks Little Lake Nellie. And it was the site Crews, a native Floridian, chose to make his home. And on Monday, it was the place he chose to play host to his teammates, Steve Olin and Bobby Ojeda, and his families.

It was, after all, the team's lone day off of the spring and although far from the coastal beaches and the fine spots of Orlando, it seemed a perfect place for the young and

gifted to relax, horseback riding, sunning, fishing.

Crews wasn't supposed to be anywhere close to a danger zone, let alone a killing field. Yet death is exactly what Crews and his fellow Cleveland Indians pitcher, Olin, encountered at dusk Monday night at the end of a wooden pier that jutted out into Little Lake Nellie.

The pier, which looks rocky and harmless in the light of day, was anything but on Monday when Crews inadvertently rammed his bass fishing boat into the wooden platform.

Olin, 27, died instantly. Crews, 31, lingered, but only until about 6 Tuesday morning. Ojeda, his life spared, rests in an Orlando area hospital, out of danger.

Florida Game & Fresh Water Fish Commission investigators have started to piece together the why and whereof of the tragedy.

"We have 700,000 registered boats in Florida and the highest mortality rate of any state, and we're chipping away at it," said Brian Baines, an officer with the state commission.

Crews and Olin were husbands and fathers. Each had three children; of the six, only Crews' daughter, Tricia, is older than age 4. The Cleveland Indians know that they have already spent two of what will be many days dealing with their loss and their grief, mourning for

the children left behind. Dealing with the holes left in friendships and families as well as on rosters.

And in Clermont, the residents of this small central Florida town suddenly made famous by the baseball fraternity's first multiple fatality, tried to deal with the notoriety.

Steve Neese had been visiting his in-laws on the cul-de-sac of homes nestled along the shores of Little Lake Nellie. "It's not unusual to see people out there in the twilight," Neese, a recreational boater himself, said. But, Neese added, "from what I hear, they found the throttle wide open on a boat that can go 65. Cruising around at that speed in that is not a real good idea. You don't have much time to dodge things."

The signs are already obvious that other poorly thought-out decisions will paint a harsh picture of what happened. George Wilson, the commission officer in charge of the on-site investigation, said that there was a cooler on board and that it contained alcohol.

"We are stressing that we cannot confirm that they were drinking," Wilson said. Still, Indians officials will wait with hopeful but sickened hearts until they know for sure the results of blood alcohol tests on Crews, who piloted the boat.

Until then, the mourning will commence in an organization all too familiar with so much going



Steve Olin, who was in spring training with the Indians, was killed along with teammate Tim Crews in the Florida boating accident.

wrong in a world supposedly blessed with nothing but health, youth, good fortune and wealth. After all, the Indians were the first and only major league team to lose a player in a game, in 1920 when Ray Chapman was killed by a pitch. Herb Score, a legendary Indians pitcher, did not lose his life, but his career was all but shattered by a batted ball to the eye in 1957.

Ominous signs, in fact, never seem to ebb for this franchise. This winter brought more than the deaths of the pitchers. The team's co-owner, 71-year-old David Jacobs, also passed away after a long illness and the team's would-be new spring training home in Longwood, Fla., was all but wiped from the map by Hurricane An-

Sox Give Jackson Thumbs Up

Compiled by Our Staff From Dispatches

SARASOTA, Fla. — The Chicago White Sox on Wednesday exercised an option on Bo Jackson's 1993 contract, paying the player a total of \$1.5 million.

"Bo has been hitting well all spring and he has made steady improvement in his running and ability to play the outfield," general manager Ron Schuler said. "He has passed in all areas. His bat has been good all spring. His running has picked up and he is getting a jump on the ball in the outfield."

Jackson was hitting .372 with 9 RBI in 14 spring training games. He leads the team in hits, RBI and total bases.

"The decision was in the hands of the White Sox," Jackson said. "I have never worked this hard in all my life."

"I didn't expect the kind of spring I've had. I didn't think I'd be running balls down, starting and stopping and getting home from first in 4.3 seconds," said Jackson, who had hip replacement surgery in April 1992.

He has not played full time since injuring the hip in a playoff game for the Los Angeles Raiders in January 1991.

Also Wednesday, talks broke down between the Philadelphia Phillies and Darren Daulton over terms of a guaranteed four-year, \$18 million contract that would make Daulton the highest-paid catcher in baseball.

The impasse, Phillies president Bill Giles said, is over how much Daulton would be paid in the event of a strike or lockout next year.

Elsewhere, the Indians, hit by the Tim Crews-Steve Olin tragedy, canceled exhibition games through Wednesday. Milwaukee Brewers owner Bud Selig, the chairman of the Executive Council that is running baseball in the absence of a commissioner, instructed all clubs to fly their flags at half-staff through Wednesday and to conduct a moment of silence before each game in memory of the dead pitchers.

In Tuesday's exhibition action:

Dodgers 6, Royals 5: In Baseball City, Florida, Eric Karros drove in two runs with a homer and a double for Los Angeles. Brian McRae and Wally Joyner each had two hits and two RBI for Kansas City.

Rangers 4, Pirates 3: In Bradenton, Fla., Bunch Davis hit a two-run homer during a three-run fifth inning outburst to lift Texas over Pittsburgh. Jose Canseco singled and doubled, driving in the Rangers' other two runs.

Red Sox 7, Tigers 5: In Lakeland, Fla., Mike Greenwell singled in two runs in the ninth inning for Boston after Detroit had tied the score with a four-run eighth in which the key blow was Alan Trammell's two-run homer.

Expos 5, Marlins 3: In West

Palm Beach, Florida, pinch hitter Matt Stairs singled in one run in the eighth inning and scored another on a wild pitch to pace Montreal over Florida.

Angels 1, Rockies 0: In Tempe, Arizona, California's Luis Polonia scored the only run on Chili Davis's first inning sacrifice fly. Mark Langston scattered four hits over seven innings for the Angels. Butch Henry pitched five scoreless innings for Colorado.

Giants 7, Brewers 3: In Scottsdale, Arizona, Dave Burba pitched five strong innings and doubled, then hit a two-run homer to carry San Francisco. Larry Sheets and Greg Vaughn each had two hits and an RBI for Milwaukee.

Cubs 4, Athletics 3: In Mesa, Arizona, Rick Wilkins drove in two runs and Sammy Sosa went 2-for-3 with an RBI and two runs scored for Chicago. Craig Paquette went 3-for-3 and hit a solo homer for Oakland.

Cardinals 4, Blue Jays 0: In St. Petersburg, Florida, Rhal Cormier and three relievers combined on a four-hitter and Ozzie Smith collected two hits and two RBI to lead St. Louis. Toronto starting pitcher Dave Stewart allowed three runs and six hits in five innings.

Reds 11, Phillies 4: In Clearwater, Florida, Hal Morris drove in three runs and Rip Roberts collected three hits, two runs scored and two RBI for Cincinnati. The Reds got 19 hits off five Philadelphia pitchers. (AP, UPI)

SCOREBOARD

NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct
New York	45	19	.702
New Jersey	39	27	.591
Boston	37	28	.569
Orlando	31	34	.477
Miami	29	36	.443
Philadelphia	27	43	.386
Washington	19	49	.279

WESTERN CONFERENCE

Midwest Division			
Team	W	L	Pct
Houston	43	23	.652
San Antonio	39	27	.591
Utah	38	29	.567
Denver	26	40	.397
Minnesota	15	49	.232
Dallas	6	59	.092

TUESDAY'S RESULTS

LA Lakers	104	97	Golden State	101	94
LA Clippers	103	96	Phoenix	97	90
LA Kings	102	95	Portland	96	89
LA Sparks	98	91	San Jose	94	87
Phoenix	97	90	Seattle	93	86
Portland	96	89	Utah	92	85
San Jose	94	87	Washington	91	84
Seattle	93	86	Wizards	90	83
Utah	92	85	Wizards	90	83

Baseball Standings

American League			
Team	W	L	Pct
Seattle	24	22	.522
Los Angeles	23	23	.500
California	22	24	.479
Oakland	21	25	.458
Minnesota	20	26	.435
Texas	19	27	.411
Chicago	18	28	.390
Detroit	17	29	.368
Philadelphia	16	30	.347
San Diego	15	31	.326
Atlanta	14	32	.305
St. Louis	13	33	.284
San Francisco	12	34	.263
Los Angeles	11	35	.242
Chicago	10	36	.221
San Diego	9	37	.200
Philadelphia	8	38	.179
San Francisco	7	39	.158
Atlanta	6	40	.137
St. Louis	5	41	.116
Los Angeles	4	42	.095
Chicago	3	43	.074
San Diego	2	44	.053
Philadelphia	1	45	.032
San Francisco	0	46	.011

Baseball Standings (Cont.)

National League			
Team	W	L	Pct
Atlanta	24	22	.522
Los Angeles	23	23	.500
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SPORTS BASKETBALL

After the Brawl, NBA Metes Out Tough Penalties On Suns, Knicks

PHOENIX — Meting out tough punishment for the league's worst brawl of the season, the NBA on Wednesday suspended Greg Anthony of the New York Knicks without pay for at least five games and suspended his teammate Doc Rivers and Phoenix's Kevin Johnson without pay for two games.

The Knicks were fined \$50,000 as a team and the Suns \$25,000 for failing to properly control their players during a second-quarter brawl in Tuesday night's 121-92 Phoenix victory.

Overall, the league fined 21 players and the teams a total of \$159,500 for the bench-clearing melee. Anthony was fined \$20,000 in addition to the suspension. Johnson was fined \$15,000 for precipitating the incident by knocking down Rivers with a forearm, and Rivers was fined \$10,000 for retaliating and fighting with Johnson.

Anthony, who sustained a sprained right ankle and was on the Knicks bench in civilian clothes, came onto the floor and punched Johnson during the fracas, which erupted just before halftime.

Anthony will begin serving his suspension when he is medically cleared to play. At the end of the five-game period, Anthony will be required to meet with league personnel, and a decision will be made on whether he can return.

Jerrold Mustaf of Phoenix was fined \$10,000, while Danny Ainge of the Suns and John Starks and Anthony Mason of the Knicks were fined \$7,500 for their involvement.

Fourteen players were fined \$500 apiece for leaving the bench area during the incident.

The Suns had called for Anthony, one of six players ejected after the incident, to be suspended for a year for sucker-punching Johnson.

Suns owner Jerry Colangelo said: "I'm going to voice my opinion in terms of what I saw, and I think Anthony is the guy who more than anyone else is responsible for the thing getting out of control."



New York head coach Pat Riley trying to separate Knicks players from the brawl just before halftime in the game with Phoenix.

Victories Mount for Cleveland's Wilkens

The Associated Press
Lenny Wilkens is within range of becoming the most victorious coach in National Basketball Association history.

On Tuesday night, his Cleveland Cavaliers, double-teaming San Antonio center David Robinson and holding the NBA all-star to nine points, easily defeated the Spurs, 127-90, to give Wilkens his 657th league victory as a coach.

Wilkens, in his 20th coaching season, passed Dick Motta to move into third place on the victory list. Red Auerbach, the legendary former Celtics coach, is first with 938 victories, followed by Jack Ramsay with 864. The Cavaliers have already won 42 games this season, and another couple of 40-victory seasons would put Wilkens right up with Auerbach.

After the game, played at home in Richfield, Ohio, Wilkens reflected on the job his Cavaliers did on

Robinson, who failed to score in double figures for only the fourth time in his NBA career.

"I thought we gave good defensive help," Wilkens said. "Brad Daugherty tried to fight him so he could not get good low post position. When David got the ball, we

just wanted to double-team and rotate and make sure we covered people."

Wilkens' opposite number, John Lucas, agreed that the defense on Robinson was key. "A lot of teams are trying to make us beat them with people other than David," said Lucas, the rookie coach who started out hot and has run into problems. "That's good basketball, and we have to have some people step up."

San Antonio has lost nine of 15 since the All-Star break to fall two

games behind first-place Houston in the Midwest Division.

For Cleveland, Daugherty had 25 points and Gerald Wilkins and Mark Price each scored 16. Price made three free throws and has made 65 in a row, 13 shy of the NBA record held by Calvin Murphy.

Antonio Carr led the Spurs with 23 points.

Rockets 111, Hornets 103: In Charlotte, North Carolina, Hakeem Olajuwon scored 31 points as Houston beat Charlotte for the eighth consecutive time.

The Rockets, 12-1 against the Hornets, led by 11 points through three quarters. Charlotte started the fourth period with a 14-4 run. Olajuwon then scored eight points in a 14-6 spurt that built Houston's advantage to 100-91 with 2:05 left.

Trail Blazers 108, SuperSonics 99: In Seattle, Portland guard Seattle's live-game winning streak be-

hind 36 points from Terry Porter. The Blazers were without the injured Clyde Drexler, Kevin Duckworth and Rod Strickland.

Bulls 107, Timberwolves 100: In Chicago, Michael Jordan scored 19 of his 34 points in the second quarter for the Bulls, who beat Minnesota for the eighth straight time since the Wolves entered the league in 1989.

Kings 121, Clippers 104: In Sacramento, California, Wayne Tisdale matched his career high with 40 points and Spud Webb had a season-high 29 points and a career-best 17 assists in the Kings' victory over Los Angeles.

Magic 103, Heat 89: In Orlando, Florida, Shaquille O'Neal scored 22 of his 28 points in the second half for Orlando against cross-state rival Miami. Glen Rice led the Heat with 24 points, but scored only four in the second half.

A World Cup Blow For Czechoslovaks

Compiled by Our Staff From Dispatches
LIMASSOL, Cyprus — Czechoslovakia's chances of competing in the 1994 World Cup finals in the United States suffered a major setback Wednesday when it was held to a 1-1 away draw by lowly Cyprus in a European Group Four qualifier.

In a European Group Two qualifier, the Netherlands rolled past San Marino, 6-0, while Italy rose to the top of Group One with a 6-1 drubbing of Malta.

Andros Soteriou was the Cypriot hero with a 47th minute equalizer after Lubomir Moravcik had put Czechoslovakia ahead in the 33rd minute.

Czechoslovakia, which is playing as a team despite the split-up of the nation into Czech and Slovak republics, moved up to third place in the group four standings with four points after the draw. But this was really a case of a point lost, rather than one gained. Belgium, Romania and Wales, the other top teams in the group, had already won their qualifiers in Cyprus.

Belgium is the group leader with a maximum 12 points from six games, followed by Romania with seven. Wales has four points and trails Czechoslovakia on goal difference only. Cyprus has three points and the Faroe Islands has lost all five of its matches to date.

Despite the absence of some of its best players — Ruud Gullit, Marco van Basten and Ronald Koeman — the Dutch equaled England's 6-0 victory against the last-placed Group Two team earlier in the season. Half of the Dutch goals came in the final 15 minutes in Utrecht, the Netherlands.

The victory brought the Netherlands past England into second place, with 7 points, behind Norway, which also has 7 points but has played a game less. England can win back its spot next week when it plays Turkey.

Midfielder John van den Brom opened the scoring early in the second minute with a header off a rebound. The score was brought to 2-0 by halftime courtesy of San Marino's Claudio Cantù, who mistakenly headed into his own net.

Johan de Wolf scored near the start of the second half, and then Ronald de Boer hit a penalty shot in the 67th minute to make it 4-0.

In Palermo, Sicily, it was Roberto Mancini, playing for the injured Roberto Baggio, who powered Italy with two headers in the second half.

Vikings Sign Jim McMahon

Compiled by Our Staff From Dispatches
PALM DESERT, California — Jim McMahon, who led the Chicago Bears to the 1985 NFL title, signed a contract Wednesday with the Minnesota Vikings that could pay him more than \$6 million over the next two seasons.

The 33-year-old free agent quarterback, a backup with the Philadelphia Eagles for the last two seasons, is expected to compete with Rich Gannon for the starting job in Minnesota.

The signing was announced at the NFL owners' annual meeting.

McMahon's agent, Steve Zucker, said McMahon, who has not had an injury-free season since his rookie year in 1982, would earn more than \$3 million per year if he fulfills several incentives, including games played and victories.

On Tuesday, the owners voted to reduce the 45-second clock between plays to 40 seconds to allow more plays per game, reversing the current trend toward fewer plays.

The owners also accepted a proposal from the competition committee to increase rosters for the 1993 season from 47 players to 53 players, with the 6 additional players becoming part of a team's inactive list.

But they voted against moving kickoffs back from the 35 to the 30-yard line. (AP, NYT)

Bearcats Defense: It's 110% or Sit Down

By Robert Facht

Special to The News Service

WASHINGTON — It is no fun trying to play basketball against the University of Cincinnati. The Bearcats' relentless pressing, trapping defense keeps their opponents on edge without respite and, if one player should give less than full effort at any time, he will be stringing alongside Coach Bob Huggins at the next whistle.

"We try to play hard and make things happen with our defense," Huggins said. "You can't control your shooting, but you can play aggressive defense. More games are won with good defense than with good offense."

Cincinnati, which faces Virginia Friday in the National Collegiate Athletic Association East Region semifinals in East Rutherford, New Jersey, has won a lot of games with its swarming defense since Huggins took the reins in 1989. The Bearcats

are 93-35 in Huggins' four seasons and last year made it to the Final Four, just as Huggins had promised when he was hired.

In two NCAA tournament games this year, the Bearcats have beaten Coppin State by 27 points and New Mexico State by 37. Except for the first 10 minutes of the Coppin game, Cincinnati has simply dazzled the opposition.

"Sizewise, we matched up pretty well with them," said Coppin State Coach Ron (Fang) Mitchell. "But they make it so hard for opponents to score. They put so much pressure on the ball it's almost unbelievable."

"They were getting to me a lot quicker than I thought they would," said Sam Crawford, the New Mexico State point guard who had 16 assists against Nebraska and 10 turnovers against Cincinnati. "I wanted to beat the trap, but they were coming from everywhere."

"We're getting to me a lot quicker than I thought they would," said Sam Crawford, the New Mexico State point guard who had 16 assists against Nebraska and 10 turnovers against Cincinnati. "I wanted to beat the trap, but they were coming from everywhere."

No team pressed us like that. We were outmanned."

New Mexico State, with only one day to prepare for Cincinnati's press, had no chance. Whether five days will give Virginia a better perspective remains to be seen; Huggins, ever the intimidator, expresses doubt.

"Teams have a hard time getting into their offense against us," Huggins said. "We don't have set rotations or set traps like other teams that press a lot. We go on the fly. We're good at getting to the ball, covering areas where they want to pass the ball and reading traps. We're not always in the same place, so you don't gain a lot by poring over film of us."

Guards Nick Van Exel and Terance Gibson are the key men in the Bearcats' press, especially with starter Allen Jackson questionable because of slightly torn cartilage in his left knee. Jackson was hurt against Coppin and missed the New Mexico State rout, but may be able to face Virginia if he can handle the pain.

Van Exel said, "We can press any team in the country. You just have to have the heart to do it. We want to make their guards do things they can't do and make the big men handle the ball where they can't handle it. The first thing we try to do is get them in the trapping areas, at halfcourt and on the sides. If we do, the chances are they'll throw the ball to another trapping area."

Forward Terry Nelson, who plans a future as a stand-up comic, was serious when he said, "We're a team of man-eating sharks. We definitely smell the blood. If the other

guys panic, they're in deep trouble. And they have to be in great shape to play us, because we can keep going all day long. It can be demoralizing when we rotate and put pressure on the ball. Some teams have trouble setting up their offense and finding rhythm."

Cincinnati generally allows an opponent to pass the ball inbound without pressure, then sets up traps. A favorite play is to swam over a player as soon as he has crossed halfcourt, either forcing a turnover or a pass into the corner, where another trap can be set up quickly.

The Bearcats are ranked fourth in scoring defense, allowing only 58 points a game. They have kept 21 of their 30 opponents under 20 and also have limited 21 teams to fewer than 30 points in the first half. They have recorded more steals than opponents in all but three games while averaging 9.7. Opponents have committed fewer turnovers than Cincinnati in only four games.

Neil McCarthy, the New Mexico State coach, pretty much summarized what those opponents are up against: "Very few teams in the country press the whole game like Cincinnati. They use a 2-1-2 press that takes various shapes as the game goes on. They run various people at you in different patterns. They have a good matchup zone I call a blitz, but their press was so good against us, they didn't have to use the matchup."

As for Huggins' demands on his players, guard LaZelle Durden put it succinctly: "You give him 110 percent or you sit down."

SIDELINES

Georgia Tech Coach to South Carolina

COLUMBIA, South Carolina (AP) — Bobby Cremins resigned as Georgia Tech's basketball coach on Wednesday and is taking the head coach's job at South Carolina, a Georgia Tech spokesman said.

Cremins will replace Steve Newton, who resigned on Jan. 18 after the South Carolina school's internal report outlined five secondary NCAA recruiting violations.

Georgia Tech bowed out of the NCAA tournament in the first round.

NHL Rookie Selanne Stays Red-Hot

WINNIPEG, Manitoba (Reuters) — Teemu Selanne notched two goals and an assist to set a scoring record for an NHL rookie, but his Winnipeg Jets fell 5-4 to the Toronto Maple Leafs.

The Finn's five points in Tuesday's game gave him 111 for the season, surpassing the rookie scoring record of 109 set by Quebec's Peter Stastny in the 1980-81 season.

The 22-year-old Selanne, who raises the record for most goals in a season by a rookie every time he scores one, tallied his second goal of the game, and 67th of the season, early in the third period to give the Jets a 4-3 lead. But Toronto fought back with two goals to win.

Around World in How Many Days?

PARIS (Reuters) — The French catamaran Commodore Explorer is fighting a nerve-racking succession of doldrums and storms near Cape Horn on its attempt to sail around the world in less than 80 days.

Skipper Bruno Peyron, who had hoped to round the dreaded cape last Monday, radioed his Paris headquarters that the ship was stuck in doldrums on Tuesday night. Twelve hours later, he radioed: "All sails down in 50-knot winds with 60-knot gusts."

The expedition's headquarters said on Wednesday that Peyron hoped to be through Cape Horn on Thursday on the last stage of the 27,000-mile (43,500-kilometer) Channel-to-Channel trip.

The high-technology Commodore Explorer is the last ship remaining in the \$1 million Tropic Jules Verne to circumnavigate the world in less time than it took Verne's character Phileas Fogg.

For the Record

Total prize money at this year's French Open tennis championships will surpass 45 million francs (\$8.1 million), a 9 percent increase from 1992, organizers said.

The cash-strapped British team March has withdrawn from the Formula One world championship, the International Motor Sports Federation said. (AP)

Everything That Could Went Wrong for UTEP

The Associated Press

WASHINGTON — Don Haskins was right. The Texas-El Paso coach didn't want to travel to the national capital and play the Georgetown Hoyas in their bandbox of an arena, and his worst fears were realized Tuesday when his Miners managed just 10 first-half points on their way to a 71-44 shellacking in a second-round NIT contest.

"It was an all-around ugly game on our part," Haskins admitted. "It was a very rough game compared with what we're used to."

In picking the most valuable player in this laughter, it may well be a tossup between the traveling secretary who put the Miners (21-13) up in Tyson's Corner, Virginia, and the team's bus driver.

Whoever made hotel arrangements didn't realize that Texas El Paso would wind up in the middle of a shopping mall-dominated commuter corridor 15 miles from downtown Washington, and the bus driver clearly didn't know any back roads to avoid the rush-hour traffic.

The Miners arrived 20 minutes late, so the game was delayed in order to allow the team to warm up properly. The mind-numbing crawl into the city left Texas El Paso looking like it had inhaled way too many exhaust fumes.

Georgetown (18-12) led, 13-2, nine minutes into the game, and after guard Joey Brown hit a 3-pointer, the Hoyas were ahead, 23-4, with seven minutes left in the half. A trio of 3-pointers — two by Brown, one by sophomore guard John Jacques — gave Georgetown a 38-10 halftime lead.

Numbers almost aren't enough to describe Texas-El Paso's ineptitude, but here they are: No starter scored in the first half; Ralph Davis scored the first six, guard Antonio Gillespie added a basket and Davis' two free throws with 40 seconds left gave Texas-El Paso (21-13) its ninth and 10th points of the first 20 minutes.

The game could have been a highlight reel from Georgetown's dominant teams of the 1980s. The Hoyas showed tenacious defense, solid inside play, and enough outside shooting to get by.

"Georgetown is known for its defense, and we were trying to bring that back alive," Jacques said.

They did. The Miners were a woeful 3 for 19 during the first 20 minutes of play.

Brown led Georgetown with 16 points, while center Othella Harrington added 15 for the Hoyas, who play Thursday against Miami of Ohio at Orange Mason University in Fairfax, Virginia. The Miami of Ohio game advances to the NIT final four at winner of that quarterfinal game, Providence was playing at Boston College, Southern Cal was at Minnesota, and Southwest Missouri State traveled to take on Alabama-Birmingham.

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